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Intellectual Ammunition

Potshots

A label: Something you put on a person so you can hate him without having to get to know him first.

—*B.C.*

A just cause is not ruined by a few mistakes.

—Fyodor Dostoevsky

Some are born great, some achieve greatness, and some hire public relations writers.

—Daniel Boorstin

Few men have virtue to withstand the higher bidder.

—George Washington

A liberal is one who loves the world, but hates his neighbors.

A conservative is a man who believes in reform, but not now.

—Mort Sahl

It usually takes a hundred years to make a law, and then, after it has done its work, it usually takes a hundred years to get rid of it.

—Henry Ward Beecher

Well done is better than well said.

—Benjamin Franklin

Whatever you have, spend less.

—Samuel Johnson

Newspapers are unable, seemingly, to discriminate between a bicycle accident and the collapse of civilization.

—George Bernard Shaw

States Embracing Privatization Programs

by William Eggers and John O'Leary

Several states have moved forward aggressively with privatization in the past several months. Despite a better financial picture than they have enjoyed for years, states are increasingly turning to competition and privatization. Here is an overview of what five states particularly active in the privatization movement have accomplished recently.

New York State

After nearly a year in office, New York governor George Pataki's much-anticipated comprehensive privatization program is finally getting into full swing. A number of privatization initiatives were completed this fall. The joint New York-New Jersey Port Authority sold the Vista Hotel in Manhattan to the Marriott Corporation for $141.5 million. Other services are beginning to be contracted out to private companies. Competitive contracting for tax form processing saves the state $7.5 million annually, while outsourcing laundry and food distribution is expected to save another $4.5 million a year.

Recently named chairman of the Privatization Task Force of the Republican Governors Association, Governor Pataki clearly aims to be a national leader in the privatization movement. At the governors meeting, he called for the immediate repeal of a host of federal barriers to state and local privatization. "Existing federal policies favor government ownership of infrastructure," said the governor. "We are not looking at privatization as a mandate. We just want the option to explore privatization. . . . The federal government should aid and abet, not interfere with, our efforts."

The removal of federal barriers and tax disincentives to asset sales is particularly important to Pataki. Unlike most states' privatization efforts, New York's privatization agenda focuses heavily on asset sales. Major candidates for sale in New York State—including the World Trade Center, the freight division of the Long Island Railroad, and Stewart and Republic airports—are valued at well over $1.5 billion.

Allen Roth, staff director of the governor's Privatization Commission, predicts that by the time the administration is through it will have implemented "the most comprehensive privatization agenda in American history." Only time will tell, but the Pataki administration has several factors operating in its favor. First, New York State probably owns more commercially

continued on page 3

In This Issue

Uncovered	4	Taxes	11
Education	5	Welfare	12
Environment	6	Point of View	13-16
Health Care	7	New Books	17
Law	8	Excerpt	18
Privatization	10	Contacts	20

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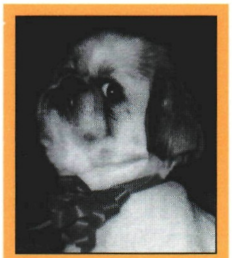

Spirit *(1994)*
public affairs director

News from the Heartland

by Joseph L. Bast
Publisher

PolicyFax *Update*

We're excited about some changes in this issue of *Intellectual Ammunition.* Previous issues featured approximately twelve pages of Research Reviews, brief summaries of the latest public policy documents available from over one hundred of the nation's leading think tanks and publications. With this issue, however, the Research Reviews section has been replaced by a new section, titled *PolicyFax* Update.

In *PolicyFax* Update you'll still find pithy reviews of the latest publications available from our partner organizations. But this new section goes one step further: Every document featured in *PolicyFax* Update is available instantly, by fax, simply by calling *PolicyFax*, Heartland's fax-on-demand research service. *PolicyFax* documents are available twenty-four hours a day, seven days a week by calling 847/202-4888. All you need is a touch-tone telephone and a *PolicyFax* account number. (Your eight-digit account number appears on your mailing label. If you don't have a *PolicyFax* account number, please fill out the account application form appearing on page 19 of the *PolicyFax* update.)

You'll also find other changes in this issue—including a new regular feature in which we excerpt a particularly timely policy study. In this issue of *IA*, we've selected a *Heartland Policy Study* by Daniel D. Polsby and Dennis Brennen that seeks to clarify the gun control debate. We've also improved the list of contacts appearing at the end of the magazine by adding dozens of new organizations and providing new information such as their e-mail addresses.

States are privatizing

States across America are recognizing that privatization may be the best way to reduce expenditures and help make governments more efficient and cost-effective. This month's cover article is by *IA* contributing editors John O'Leary and William Eggers, who have compiled the most recent information about the progress five different states are making in the area of privatization. By keeping an eye on what their neighbors are doing, legislators in other states can imitate the successes—and avoid the failures—of those states that are leading the way to the next century.

Heartland's World Wide Web site

The next time you're surfing the Web, try pointing your Web browser to **http://www.heartland.org**. That's the address for Heartland's World Wide Web site, rated in the top 5 percent of Web sites by Point Survey, Inc., a respected Internet rating organization. If you've never visited Heartland's site before, you'll be impressed by the number and quality of publications (including back issues of *Intellectual Ammunition*) that are just a mouse click away. We regularly update and improve the site—so if you haven't visited us in a while, you may be in for a surprise!

Summer vacation

With this issue, *Intellectual Ammunition* will take a brief vacation. The next *IA* you will receive will be the September/October issue. Please let us know if you have any questions or comments.

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continued from page 1

viable enterprises and assets than does any other state. Second, structural imbalances in the state budget, combined with the governor's income tax cuts, mean that the state will face tight fiscal circumstances for several years. Lastly, New York's governor is in an excellent position to implement reforms, as Pataki can push through much of his privatization agenda via executive order.

California

Governor Pete Wilson has made privatization one of his major agenda items for 1996. He has directed his cabinet heads and top staff to conduct a six-month comprehensive internal review of state privatization opportunities. Despite having a Republican-controlled Assembly, Wilson faces formidable barriers to privatization. California's constitution and personnel code severely limit contracting-out in most instances, and pro-privatization reforms are unlikely to make their way out of the Democrat-controlled Senate. A constitutional amendment sponsored by the governor to remove some of the more onerous privatization barriers died in committee during the most recent legislative session.

Governor Wilson is asking each department head to come up with a list of privatization proposals divided into two categories. One list is to assume that no legislative barriers to privatization exist in California—an exercise designed to estimate the potential cost savings that due to state laws cannot be achieved. The second list will be limited to privatization projects that can be accomplished within existing law.

Like his counterpart in New York, Wilson is planning to emphasize asset sales in his privatization program. Legislative and political barriers may not be as formidable in this arena.

New Jersey

At a September Reason Foundation conference, New Jersey governor Christine Todd Whitman signaled her intention to ratchet-up her privatization efforts over the next twelve months. (See "Privatization" on page 10 for some of the governor's remarks. —Ed.) In late November, New Jersey awarded a contract to Correctional Medical Services of St. Louis to provide medical services and psychological treatment in state prisons. Cost savings are projected to be $7 million in the first year of the three-year contract and then $20 million annually after that. "It will allow us to give inmates the same level of medical services or better at less cost to the taxpayers," said Governor Whitman in announcing the contract.

The contract calls for paying Correctional Medical $2,800 per inmate for medical services, some $1,000 less than the current state costs per patient.

> ***The Weld-Cellucci plan is a radical proposal for the restructuring of state government, reexamining the fundamental question of a democracy: What should government do?***

Massachusetts

In November, Massachusetts governor William Weld and lieutenant governor Paul Cellucci announced a sweeping plan for a smaller, more efficient, and less costly state government. Their report, titled *The Government We Choose: Lean, Focused, Affordable*, also called for a 10 percent reduction in the state income tax.

The plan is a radical proposal for the restructuring of state government, reexamining the fundamental question of a democracy: What should government do? The Weld-Cellucci plan makes several bold proposals, including eliminating county governments; abolishing the civil service system; introducing choice, vouchers, and competition in K-12 education; downsizing by some seventy-five hundred state employees; and privatizing the functions of several government authorities. For example, the plan calls for contracting with "private property management firms to maintain, secure, and operate the state's public buildings."

Part of the plan calls for a dramatic increase in competitive contracting within the Massachusetts Bay Transportation Authority (MBTA). The MBTA is the sixth-largest urban transit agency in the United States, spending over $450 million annually, with 58 percent being provided by the state of Massachusetts. The report calls for the MBTA to "competitively contract those services that are readily available in the private sector. For example, real estate management, payroll services, bus operations, revenue counting, and auditing services could all be provided by private companies, at significant savings to taxpayers."

The report also calls for privatization of major functions of the Massachusetts Port Authority, including certain management duties and operations at Boston's Logan International Airport, management of Hanscom Field (a joint-use aviation facility), and the evaluation of privatization for port functions such as bulk terminals, auto terminals, and warehouses.

Georgia

Georgia governor Zell Miller has emerged as perhaps the leading privatization proponent among the country's Democratic governors. Governor Miller's privatization commission, formed over seven months ago, has targeted a host of state services, assets, and enterprises for privatization.

The commission has recommended beginning with a number of privatization projects that don't require legislative approval—thereby avoiding lengthy delays and parochial opposition from some legislators. "There are a lot of them that are going to require legislation," Miller said in late November. "But what I can do administratively, I will. That's what a chief executive does. He executes."

A commission proposal that has been put on the fast track is to lease to a private company the state-run resort complex at Lake Lanier Islands. The resort, which includes a 224-bed hotel, eighteen-hole golf course, and water theme park, now competes with a private hotel on the islands. "The issue is, should the state of Georgia be in the business of running a hotel and water park in direct competition with the private sector," Joe Tanner, the privatization commission's executive director, told the *Atlanta Journal and Constitution*.

Meanwhile, a gubernatorial directive to turn over two Georgia War Veterans Homes to a private contractor by January 1, 1996 has been delayed by a court challenge from the state public employees' union. A state analysis has found that the homes cost twice as much to operate as comparable privately run homes in Alabama and South Carolina.

• • • •

William D. Eggers and John O'Leary, *IA* contributing editors, are authors of *Revolution at the Roots: Making Our Government Smaller, Better, and Closer to Home* (The Free Press, 1995).

Robert V. Pambianco

Robert V. Pambianco is editor of *Organization Trends*, a publication of the Capital Research Center.

Taxpayer-Funded Group Says Prisons Don't Work

Pick up any news article about crime and somewhere in it you are likely to come across a reference to The Sentencing Project, a little-known Washington, D.C. think tank that focuses on crime issues.

The Sentencing Project (TSP) is unlike other Washington think tanks. It has none of the glitz of better-known policy groups: no fancy offices or paneled conference rooms or glossy annual report. From dingy offices, it issues a stream of reports and policy papers that hammer away at the idea that locking up criminals does not reduce crime.

TSP is virtually a conservative caricature of liberal crime policy. Rather than focus on the finding of guilt and the appropriate punishment for criminal acts, it seeks to uncover the sociology of "root causes" of crime.

What is astounding is that we are paying for TSP. The nonprofit 501(c)(3) group is partially funded by the federal government through a grant from the Department of Justice's Bureau of Justice Assistance.

Any better ideas?

TSP contends that incarceration just doesn't work and that it's simply not an enlightened way to deal with persons convicted of crimes. The group opposes mandatory minimum sentences and "three-strikes-and-you're-out" proposals that require life sentences for three-time violent offenders. Likewise, it opposes truth-in-sentencing measures that restrict parole, and it is hostile to just about anything that increases the penalty for committing a crime.

Testifying before Congress in 1994, TSP assistant director Marc Mauer said that incarceration "has a limited impact on crime" and there is no "clear relationship between crime and incarceration."

The Council on Crime in America, a project of the New Citizenship Project, has demonstrated the relationship between crime and punishment in a recently published study titled *The State of Violent Crime in America*. It takes note of the "obvious reality that prisons restrain convicted criminals from committing large numbers of crimes that they would be committing if free." In other words, much serious crime is averted each year by keeping convicted criminals behind bars. The report cited a number of empirical studies that estimate that for each additional incarcerated felon, anywhere from twelve to seventeen additional crimes will not be committed each year.

Another recent study, this one conducted by the Dallas-based National Center for Policy Analysis, bolsters these conclusions. Focusing on crime in Texas, the report demonstrates how a more aggressive incarceration policy has led to a dramatic reduction in the state's crime rate. The data refute TSP's mantra that longer sentences do not deter crime: In Texas, the average time served for serious crimes climbed from 1.9 years to 3 years. Meanwhile, the overall rate of serious crime in Texas has been cut by 35 percent and is at its lowest level since 1973. This follows a four-year building boom, which raised prison capacity from 49,000 to 150,000. The state's prison population increased to 64 percent above the national average over this period.

> *Rather than focus on the finding of guilt and the appropriate punishment for criminal acts, The Sentencing Project seeks to uncover the sociology of "root causes" of crime.*

Bad answers to foolish questions

TSP is preoccupied with explaining the "causes" of crime. It condemns "abuse and neglect" for causing crime and censures "attitudes toward women" and "the ready availability of firearms in this country" for increasing violence. In Mauer's view, "incarceration speaks very little to poor schooling, dysfunctional families, or limited job skills."

TSP wants to spend tax dollars not on stopping crimes or catching criminals, but on social programs: treatment and counseling, education, and recreation. Mauer has gone so far as to suggest that Hillary Clinton's health care task force should serve as a "model" for how the country should approach crime policy. TSP sees this as part of a "more rational and humane" approach to crime. Given the voters' revulsion at Mrs. Clinton's health care machinations, what could be more cruel?

Sources of funding

TSP's private foundation funding is augmented by the federal government. The Justice Department's support will enable TSP to "publish a guide for the establishment and operation of defense-based alternative sentencing programs." (According to the most recent information available through FAADS, the federal grants database, the Justice Department awarded TSP $125,000 in the last quarter of 1993.)

Last year, Congress failed to address the problem of government funding of nonprofit advocacy groups. But TSP illustrates why action on this front is needed now more than ever. ia

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What to Do about Crime?
Keynote speaker James Q. Wilson and other forum participants discuss what causes crime and how those causes might be addressed. (*The Independent Institute, 1995, 16 pp.*)

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Order document #1300201.

Education

What Should Really Matter: Vouchers Help Inner-City Kids

Joseph Walsh

Joseph Walsh is executive director of the Center for Rebuilding America's Schools.

As we await school choice court decisions in Wisconsin and Ohio this year, it becomes increasingly clear that too much of the discussion of school vouchers remains focused on the separation of church and state. Cleveland and Milwaukee both have passed school voucher bills that would allow inner-city parents to send their children to any school—public, private, or religious. The ACLU, teacher unions, and other groups have challenged these pilot programs in court, citing violation of the First Amendment's establishment of religion clause.

School vouchers work for kids and their parents. Perhaps choice opponents realize it, and perhaps that's why they are left to make their last stand in the often-abused arena of church/state debate.

School vouchers work

Stanford University professor Terry Moe has assembled data from five inner-city choice programs, all of which enable low-income parents to send their children to private schools. Moe examined Milwaukee's state-funded choice program, its privately funded choice program (PAVE), and privately funded voucher programs in Indianapolis, New York City, and San Antonio. Together these programs serve seven thousand low-income children. Only the private voucher programs allow children to attend religious schools.

> *Results from the ten-year-old New York school choice program suggest that voucher students are more likely to finish school.*

The data show that vouchers work for low-income children. Parents and children are pleased with their schools, and voucher students are more likely than their public school counterparts to stay in school, learn more, and earn their high-school diploma:

- **Parental satisfaction.** Between 52 and 56 percent of the parents participating in these voucher programs gave their childrens' schools an "A" in satisfaction and performance. By contrast, between 16 and 26 percent of the parents of public school children in those same cities gave their childrens' schools a grade of "A."
- **Staying in school.** Keeping children in school is traditionally an enormous problem in urban schools. In Milwaukee, for example, 20 percent of elementary school children in the public schools change schools during the school year. In Milwaukee's privately funded voucher program, by comparison, the rate is only 4 percent. In the state-funded voucher program, the rate is 5 percent. Similar rates can be found in the other cities with voucher programs.
- **Student achievement.** Though not definitive, the data suggest that children attending religious schools make impressive test score gains. Students participating in the privately funded voucher programs in New York and San Antonio improved noticeably more than *did their counterparts in the public* schools. No test score improvements were achieved in the state-funded Milwaukee voucher program.

Also, results from the ten-year-old New York program suggest that voucher students are more likely to finish school. Sixty-nine percent of the voucher students graduated, compared to a 39 percent graduation rate in all New York City public schools, and a 29 percent rate for the public high schools that the voucher students would have attended.

It's important to note that all of these studies compare children who come from similar backgrounds. Critics of vouchers often complain that the programs take the top students, the most motivated, and those from the most stable families. Yet welfare dependency, coming from a female-headed household, and living well below the poverty level all are attributes found in equal numbers among the seven thousand students participating in voucher programs and their public school peers.

What can we learn?

There are a few conclusions to be drawn from these data. First, the dollar amount of the vouchers should be larger than it is under current programs. Many of the participating families reported going to great lengths to pay for the part of their children's education not covered by the vouchers.

Second, religious schools should be included in any voucher program. Fully 90 percent of all nonpublic schools are religious. Not including them in voucher programs dramatically limits choice and deprives children of the opportunity to do better in school.

And third, voucher programs should be expanded to reach far more students than are currently permitted to participate. Low-income students and those otherwise disadvantaged should continue to receive priority treatment in the distribution of vouchers. While valuable, today's programs reach too few students to make the dramatic difference that we know is needed, and possible.

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CEO America
CEO America, a private foundation giving school vouchers to underprivileged children, creates remarkable success stories. (*Center for the Study of Popular Culture, 1995, 5 pp.)*

Call 847/202-4888.

Environment

Jonathan H. Adler

Jonathan H. Adler is director of environmental studies at the Competitive Enterprise Institute.

Whither Environmental Reform?

Republicans have taken a beating for their efforts to reform America's environmental laws. The House-passed reauthorization of the Clean Water Act, efforts to protect private property rights, and proposed limitations on the Environmental Protection Agency have been roundly denounced on editorial pages around the country as "extreme" anti-environment measures. President Bill Clinton and environmental activists also pledge to make the environment an issue in the fall campaign.

The haystack environmental problems of yesteryear have been eliminated, while the needle-in-a-haystack problems remain.

"The Republican party is quickly becoming known as the anti-environment party," complains GOP Rep. Sherwood Boehlert of New York. Boehlert vigorously opposed efforts to reform environmental regulation and is now co-chair of an environmental task force set up by House Speaker Newt Gingrich. He argues that the GOP should abandon aggressive environmental reforms and refrain from angering Washington's environmental lobby. Following this advice would be a grave mistake.

There is an urgent need for dramatic changes in existing environmental laws. Those policies that were effective at curbing pollution in the 1970s are too rigid and clumsy to address the environmental concerns of the 1990s. The haystack environmental problems of yesteryear have been eliminated, while the needle-in-a-haystack problems remain. New problems require new policy responses.

Conventional command-and-control environmental policies are no longer worth their costs. This year Americans will spend well over $150 billion complying with pollution control measures, many of which no longer accomplish much for the environment. In some cases, environmental laws actually produce harmful environmental effects. Hazardous waste and species protection regulations, for instance, produce incentives that can encourage increased waste production and destruction of habitat. Thus, it is not anti-environment to attack existing environmental policies.

The challenge for advocates of environmental reform is to articulate a vision that rejects extensive federal bureaucracies and embraces the principles of free enterprise and limited government. Such an agenda would seek to eliminate environmentally destructive subsidies and encourage the marketplace to address environmental concerns. Most environmental problems are not caused by market failures but by a failure to have markets. This vision must also recognize that sound stewardship begins with private property, and therefore protecting property rights is part of a pro-environment agenda.

Where regulatory approaches may be called for, it is important that government efforts focus more on preventing harms to people and their properties, and less on prescriptive bureaucratic edicts. There is nothing pro-environment about generating paperwork or letting the federal government micromanage industry decisions.

This agenda should also devolve decision making out of Washington. Decisions should be made by the people who bear their costs and reap their benefits. It makes no sense for Washington to set environmental priorities for every community in the nation.

This is most certainly a message that voters wish to hear. A January 1995 *Time*/CNN poll shows that 68 percent of Americans believe environmental regulations should be "subject to an analysis to determine whether eliminating that risk justifies the economic cost." A May 1995 Roper Starch poll found that two-thirds of Americans believe landowners should be compensated when wetlands regulations or endangered species protections devalue their land. Both of these policies are key elements in the Republican regulatory reform agenda.

Conventional command-and-control environmental policies are no longer worth their costs.

Voters also appear sympathetic to Republican efforts to return much environmental decision-making authority to the state and local level. Democratic pollster Stanley Greenberg conducted a series of focus groups for environmentalists and concluded that "for ordinary citizens, devolution is a way of making the environmental regime more responsive, more flexible and sensible." This is a message reformers should aggressively bring to the environmental policy debate.

Americans want both limited government and environmental protection. It is time for political leaders to articulate a vision aimed at ensuring both.

Available on *PolicyFax*

Attitudes toward the Environment: Twenty-Five Years after Earth Day
Twenty-five years after the first Earth Day, people are becoming more moderate in their environmental views. *(American Enterprise Institute, 1995, 4 pp.)*

Call 847/202-4888.

Health Care

Why the Campaign against Medical Savings Accounts?

Michael D. Tanner

Michael D. Tanner is director of health and welfare studies at the Cato Institute.

What is the establishment so afraid of? Within the past few months there has developed an extraordinarily vitriolic campaign against medical savings accounts (MSAs). From Congress, the media, and the insurance establishment, this consumer-based health care reform has been denounced with ever-rising hysteria.

The New York Times, which over the last three years could barely mention MSAs, suddenly devoted three stories within a month to the alleged dangers of giving patients control over their health care. A variety of publications, from *New Republic* to *Rolling Stone*, announced that they were shocked—shocked!—to discover that Golden Rule Insurance Company, an MSA proponent, had made campaign contributions to several Republican candidates. A PBS special weighed in on the same theme. Amid *ad hominem* attacks on Golden Rule's business practices, there were ominous hints at political payoffs. Curiously, not a word was said about the millions of dollars being spent by the managed care insurance industry to defeat MSAs.

> *Of the 37 million Americans who lack health insurance, half are uninsured for four months or less, 70 percent for one year or less.*

Meanwhile, many members of Congress who had previously supported legislation including MSAs, such as Sen. Edward Kennedy (D-Mass.) and Rep. Richard Gephardt (D-Mo.), announced that they were now unalterably opposed to the concept, even at the price of scuttling any attempt at health care reform this year. President Clinton threatened to veto any health care reform bill that included MSAs.

The question is: why? Economists from across the political spectrum understand that one of the major factors driving health care costs is our third-party payment system that insulates consumers from the cost of their health care decisions. Medical savings accounts would establish an incentive for consumers to act more responsibly in purchasing health care services. Many studies show that health care consumers do make cost-conscious decisions when given a financial incentive to do so. For example, the RAND Corporation conducted a study of changes in people's health care decision making based on the size of the consumer's copayment. The study found that an individual who had to pay 50 percent of the cost of health care spent 25 percent less than did an individual with no copayment. The study also showed that, contrary to the assertions of some critics, those reduced expenditures are not caused by individuals' forgoing truly necessary health care (health outcomes were virtually identical). Rather, the savings result from reduced utilization of optional services and cost-based selection among competing providers.

Moreover, health expenses paid out of a medical savings account would entail no insurance administrative cost. Insurance is a very inefficient way to pay for small or routine health expenses. It costs approximately as much to process a $50 claim as it does to process a $50,000 claim. Medical savings accounts would cut insurance companies out of the vast majority of health care transactions. That would reduce both the overall cost of health care and the paperwork burden on doctors.

While medical savings accounts are not a "silver bullet" that would instantly solve the problem of uninsured Americans, they would represent a major step along the road to universal access. Of the 37 million Americans who lack health insurance, half are uninsured for four months or less, 70 percent for one year or less. Medical savings accounts would provide these individuals with a pool of money to pay for health care and health insurance costs during their uninsured spells. Moreover, because medical savings accounts belong to the individual and are completely portable, they alleviate the fear that the loss of a job will lead to the loss of insurance.

> *It would be a shame if ideological zeal or naked self-interest prevented genuine, consumer-oriented health care reform.*

The campaign against medical savings accounts is really just a continuation of the battle over the Clinton health care plan. MSAs are fundamentally a matter of control. They give control to patients and physicians. Advocates of national health care understand that once MSAs are passed, their hopes for a government-run health care will be dashed for good. Insurance companies understand that MSAs represent a roadblock to insurance domination of the health care system.

It would be a shame if ideological zeal or naked self-interest prevented genuine, consumer-oriented health care reform.

Available on *PolicyFax*

- Are Medical Savings Accounts Good for the Sick? (*National Center for Policy Analysis, 1995, 3 pp.*) **#3253307**
- Medical Savings Accounts at Work (*Cato Institute, 1995, 2 pp.*) **#3253303**

Parental Rights and Mandatory Voluntarism

Nina Shokraii

Nina Shokraii is director of outreach programs at the Institute of Justice.

John Reinhard is a parent from North Carolina suing his school district for requiring his son, John, to "volunteer" fifty hours of community service prior to graduating from high school. When asked how he could possibly oppose so noble a goal as service to one's community, the senior Reinhard replies, "As Ambrose Bierce once noted, 'for every problem there is an answer: simple, neat, and wrong.' Mandating community service is just such an answer."

Schools today have become more than the providers of education. Committed to enhancing their students' self-esteem, they have become day-care centers, drug-treatment centers, and social welfare networks. As Dr. Shirley McCune, a consultant on school restructuring, explained in a 1990 speech, the goal is "to take schools out of the schooling business" and make them "human resource development centers." All Mr. Reinhard wants is for the schools to go back to teaching algebra and reading and to leave the upbringing of his son into a responsible citizen up to him and his wife.

Oral arguments for his case were held in March in Baltimore, Maryland before the 4th U.S. Circuit Court of Appeals. The suit, *Herndon v. Chapel Hill-Carrboro City Board of Education*, challenges the district's high school graduation requirement of fifty hours of community service, scheduled to take effect with the Class of 1997. School districts all across the country are taking up the banner of "mandatory volunteering," so the court ruling could have nationwide implications.

Though the suit has been going on for two years, and he still has an uphill battle ahead, Mr. Reinhard (represented by the Institute for Justice) is hopeful that he will finally prevail. What he has gone through thus far is not something many parents will want to endure. Fortunately, they may not have to if proposed federal legislation called the "Parental Rights and Responsibilities Act," spearheaded in the House by Rep. Steve Largent (R-Wash.) and in the Senate by Sen. Charles Grassley (R-Iowa)—with the help of the organization Of The People—becomes law. When Mr. Reinhard asked the Chapel Hill school board attorney defending against his suit what effect such a law would have on mandatory community service, the attorney responded that "the board's case would be gutted if parental rights were fundamental." And cutting back the education establishment's powers over our children's upbringing is exactly what this Congress ought to be focusing on if it is serious about devolving power to families.

The Parental Rights and Responsibilities Act does not create, invent, or grant any new rights for parents. The Act simply reaffirms Supreme Court decisions supporting parents' rights to direct the upbringing and education of their children, while maintaining existing federal and state protections of children from abuse and neglect. This legislation devolves power not just to states and localities, but straight to individuals and parents.

As John Reinhard argues: "Today, parents have no essential rights in the education of their children. Our challenge resembles that of Sisyphus who forever attempted to roll a boulder uphill only to have the stone roll back down. The non-fundamental rights of parents are our hill and constitute an unlevel playing field in which school boards have the advantage. All we are asking for is to level the playing field." Rather than interfering with local schools by telling them what to teach, the legislation would subject curricula to a necessary standard of scrutiny that has hitherto been lacking. The Parental Rights and Responsibilities Act would turn power away from powerful monied special interests and give it back to the parents.

> *The Parental Rights and Responsibilities Act reaffirms Supreme Court decisions supporting parents' rights to direct the upbringing and education of their children, while maintaining existing federal and state protections of children from abuse and neglect.*

Under the legislation, parents would not be able to dictate what pupils are taught in the schools nor to interfere with the curriculum choices of public schools. The legislation only protects the right of parents to exempt their children from certain objectionable public school programs, i.e., those that usurp the ability of parents to direct the moral education of their children. Recognizing parental liberty as a fundamental constitutional right serves the school district's interest in promoting educational values while preserving the ability of parents to direct their children's education.

The Parental Rights and Responsibilities Act transfers power from the education bureaucracy and special interests back to parents. If Republicans are serious about devolution of power, they should be supporting this bill.

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National Servants: Undermining Traditional Charity
"A national service program would [undermine] traditional understandings of sacrifice and service." *(Capital Research Center, 1994, 8 pp.)*

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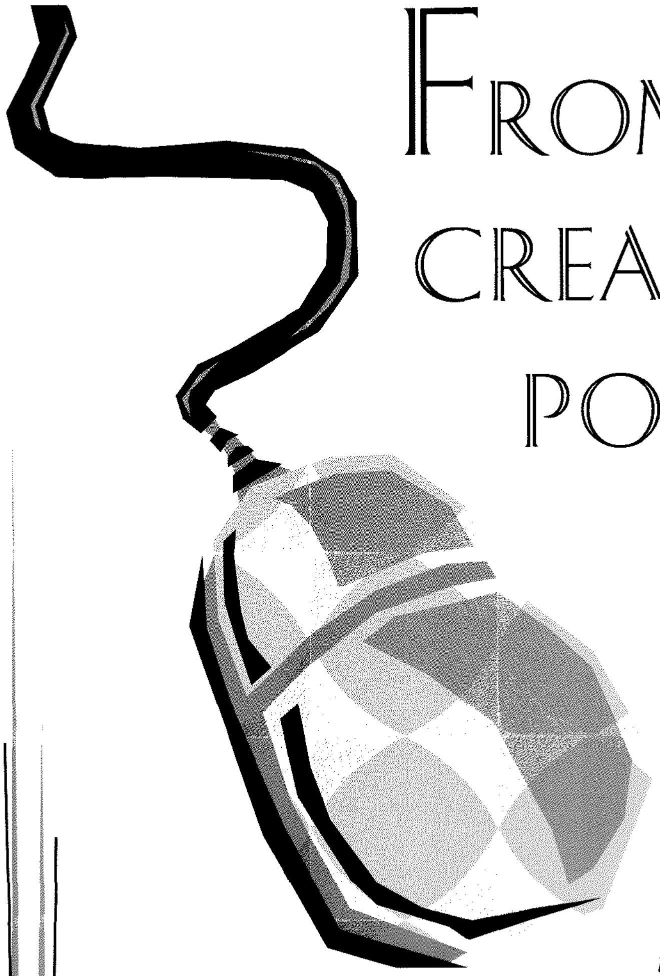

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Privatization

John O'Leary & William Eggers

John O'Leary and William Eggers are privatization experts at the Reason Foundation.

What Public Officials Are Saying about Privatization

In September 1995 the Reason Foundation held its annual privatization conference in Philadelphia. That event, titled "Streamlining Government," featured speeches by a handful of big-city mayors and state governors with notable recent accomplishments in the area of privatization. The remarks of three elected officials—Governor Christine Todd Whitman, Mayor Edward Rendell, and Mayor Stephen Goldsmith—are excerpted below.

Gov. Christine Todd Whitman (R-New Jersey)

First, government costs too much. This year, the average American taxpayer worked until May 5th to support government at every level. We must reduce the size of government so we can reduce the burden of government.

Shortly after taking office last year, I appointed a commission on privatization and competitive contracting. I charged this commission—which, I should mention, was ably chaired by Lew Eisenberg—to examine the many functions of the state government and recommend to me those areas where we could save money through competition. I set just one restriction—any savings recommended could not come at the expense of quality.

Among our first efforts was the privatization of five state-run day care centers. There was some initial opposition from well-intentioned people. They were sure that privatization would mean that the quality of care available to the children in those centers would suffer and the price would go up. . . . We were able to award contracts to run these centers to providers like the YMCA and Catholic Charities and save taxpayers $2 million a year. And, I might add, those who at first opposed our action are now among its biggest boosters.

Mayor Edward Rendell (D-Philadelphia)

When I became mayor of Philadelphia, we had to act and we had to act quickly. We've privatized close to twenty-five functions now. We save about $31 to $32 million per year. In almost every case, we've produced better quality services for the citizens of Philadelphia. That is very, very important. If privatization just saves money and produces an inferior product, it will fail. I think that, in almost every case, we're able to deliver a better product.

Oversight is absolutely crucial. . . . People do treat the government as a cash cow, as a simpleton. They assume that government isn't going to exercise any oversight or manage outside contracts. So, if competitive contracts are going to be successful, it's crucial to have the best oversight we possibly can. In most areas, we do a good job overseeing these contracts. When you let down your guard, it's easy to get burned and it can burn the entire process. That's why you have to have the ability to convince your vendors they have to perform if they want to keep their contract.

Competitive contracting obviously works. It is an important part of restructuring government. It is not the be-all and end-all. It cannot by itself save a government. But we have to continue to get better productivity out of our workforce. Money is going to be tight, and we need to continue to find ways to restructure government.

Mayor Stephen Goldsmith (R-Indianapolis)

The theme of my message today is making government smaller, better, and closer to home. In Indianapolis, we've thus far completed sixty-two competitions in which both public and private enterprises compete for government contracts. This approach has saved money and improved quality. When we began, at least according to former city and state rankings, we had the second fewest public employees per ten thousand residents. And we have 35 percent fewer public employees today.

Basically our approach is to take each subject that government is involved in and bid it out. We will continue with this until I get finished with everything, and we're well along the way. Including our decision to contract out the management of Indianapolis's airport, we have saved taxpayers three hundred million dollars. Our budget has actually been reduced, and city employees are down by a third. We've held the line on taxes and we've transferred the savings into infrastructure.

The easiest way to conceptualize what we've done is that we have used competition to decrease the operating cost of government in order to move the money into infrastructure.

It is essential to include private firms, that is non-governmental approaches, in these competitions. Often when we get into these privatization or competition discussions, the public enterprise will say: "Well, we are one of the best performing in the country"; or "Our costs are really very low"; or "This Big Six accounting firm said that we are pretty efficient." That sort of internal benchmarking is no substitute for real competition.

This was proven to us a couple of years ago when we embarked on what was then the largest wastewater privatization in the world that year. A major accounting firm had done a study that said we were one of the most efficient public wastewater treatment operations in the country. We put it out to bid anyway, and when the privatization was done, we had saved 44 percent, or $64 million over five years.

Available on PolicyFax

- Designing a Comprehensive State-Level Privatization Program (Reason Foundation, 1993, 2 pp.) **#6532302**
- Privatization Objections Are Weak (The Heartland Institute, 1992, 4 pp.) **#6504101**

Federal Tax Compliance Costs Near $225 Billion

Stephen Gold

Stephen Gold is director of communications at the Tax Foundation.

Complying with the federal tax system will cost the American public nearly $225 billion in 1996, according to the Tax Foundation's latest analysis of the nation's tax compliance costs. The rules and regulations for the federal income tax alone account for about $157 billion of that amount.

Tax Foundation senior economist Arthur P. Hall's calculations show that two-thirds of the federal income tax compliance costs are borne by U.S. businesses. Relative to asset size, small corporations (those with up to $1 million in assets, or 90 percent of all U.S. corporations) bear a compliance cost burden at least twenty-seven times greater than that borne by the largest U.S. corporations (those with $10 billion or more in assets). In fact, in recent years small corporations on average have had to pay at a minimum $724 in compliance costs for every $100 they paid in income tax. (For those small corporations that did not end the year in the red, the figure was $377 for every $100.)

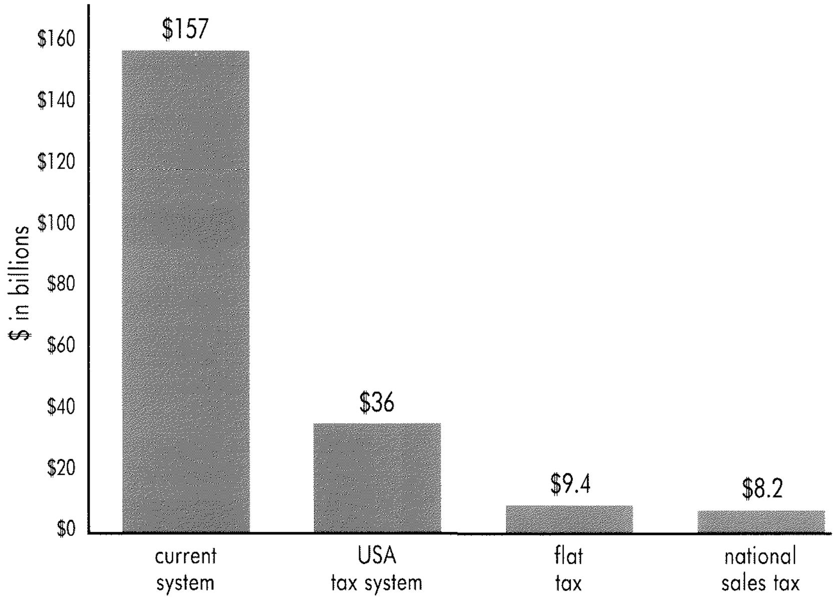
Replacing the federal income tax with any one of the three predominant alternative tax systems being discussed—the Armey-Shelby Flat Tax, the USA Tax System, or the National Retail Sales Tax Act—would dramatically reduce America's tax-related burden without necessarily sacrificing any federal revenue.

According to Dr. Hall's analysis, the flat tax introduced by Rep. Dick Armey (R-Texas) and Sen. Richard Shelby (R-Ala.) could reduce compliance costs by 94 percent, to $9.4 billion. The USA Tax System, sponsored by Sens. Sam Nunn (D-Ga.) and Pete Domenici (R-N.M.), could lower the surcharge by 77 percent, to $36 billion. And a national sales tax such as that introduced by Reps. Dan Schaefer (R-Colo.) and Billy Tauzin (R-La.) could reduce compliance costs by about 95 percent, to $8.2 billion—although the entire burden of this sum would fall on retail and service businesses. (As written, however, the Schaefer-Tauzin bill would compensate businesses for about half this cost.)

Dr. Hall's research demonstrates the degree to which high compliance costs stem directly from the complexity of the current income tax system. For example, in 1954 the federal income tax law was composed of 103 code sections. Today, that law contains 698 code sections, a 578 percent increase. More to the point, the number of words detailing income tax laws has grown 370 percent since 1954, and the words detailing income tax regulations—which provide taxpayers with the guidance they need to calculate their taxable income—have grown 753 percent.

In contrast, the flat tax and USA Tax eliminate many of the complexities associated with the current system—particularly the timing-related problems that stem from determining when to recognize business income and expenses for tax purposes. Both the flat tax and the USA Tax plan accomplish this by moving to a cashflow tax base, rather than an accrued income tax base.

Projected Compliance Costs for Current Income Tax System and Alternative Tax Systems, 1996



Tax Foundation, 1996

Available on *PolicyFax*

A Roundtable on Tax Reform
Four public policy experts debate whether a flat tax or a national sales tax is the preferred reform. (*Reason Foundation, 1995, 15 pp.*)

Just call 847/202-4888.
Order document #8024404.

Religion and School Choice Can Solve Urban Problems

Robert Rector & James Hirni

Robert Rector and James Hirni are welfare experts at The Heritage Foundation.

In grappling with the burgeoning problems of family disintegration, crime, and dependence, Americans must fully utilize all of the vital resources offered by society. History, common sense, and research all show that there are several neglected institutions and public policy solutions that are ideally suited to lead the struggle of moral renewal in low-income communities across the nation. The two biggest: religion and school choice.

Religion

Research by Dr. Richard Freeman of Harvard University shows that black inner-city youth who have religious values are 47 percent less likely to drop out of school, 54 percent less likely to use drugs, and 50 percent less likely to engage in criminal activities than are those without religious values. According to Heritage Foundation research, young women who regularly worship are roughly half as likely to have a child out-of-wedlock as are those who do not attend religious services at all. And a 1990 study appearing in the *Journal of Marriage and the Family* suggests that premarital sexual activity is much lower among adolescent girls who hold religious beliefs than among those who do not.

Studies also show that young people who attend religious services have a positive effect on the behavior of other youngsters in their neighborhood. The effect of young people motivated by religious values is the exact opposite of the heavily publicized negative peer pressure exerted by street gangs who suck the young into lives of aimless violence and alienation.

Religion is thus America's strongest weapon in the war against family disintegration, crime, drugs, and despair in low-income communities. Churches, synagogues, and other places of worship can clearly succeed in tackling these problems where government has failed. Rather than relegating religion to the social periphery, policymakers must unleash its energy, permitting it to play a much greater role in educating and molding the character of youth.

School choice

Another crucial public policy issue—school choice—is the key to harnessing religion's untapped social strength. Poor parents should be given vouchers equivalent to the sum spent "educating" their children in the public schools. The parents would then be free to use the voucher to place their children into a school of their choice, including private religious schools.

If voucher plans were implemented in large cities, dozens of high-quality private religious schools would immediately spring up in each city operating as adjuncts of urban churches. Many low-income parents, struggling to save their sons and daughters from the social tide of violence, drugs, and sexual promiscuity, would be gratified to place their children under the firm moral tutelage of these church-affiliated schools. And each school would function as a focal point of moral renewal in surrounding communities.

Opponents of school choice will argue that providing parents with vouchers that can be used in religious schools violates the First Amendment prohibition against the establishment of religion. This is untrue. The Supreme Court has clearly ruled in *Mueller v. Allen* and *Witters v. Washington State Department of Services for the Blind* that vouchers or tax credits can be spent for religious education without creating constitutional problems. Just as a widow can place her Social Security check in the collection plate of a church or synagogue, or a veteran can use funds from the GI Bill to go to a seminary, a poor parent may use education vouchers to place a child in a religious school. As long as the parent, not the government, decides where the voucher funds will be spent, the government has neither advanced nor hindered a particular religion, and has not violated the religious establishment clause of the First Amendment.

> *To combat the growing problem of the underclass, Americans need a multi-dimensional policy that harnesses all the vital forces in our society.*

To combat the growing problem of the underclass, Americans need a multi-dimensional policy that harnesses all the vital forces in our society. But in the war against poverty and violence, the most effective social weapon, the church, lies dormant. Unlike Bill Clinton, Al Gore, Jesse Jackson, and many members of Congress, who are wealthy enough to send their children to private schools, poor parents are left with the inert monopoly of the public schools, institutions that can no longer adequately teach simple reading, let alone serve as the focal point for moral transformation within underclass communities. In grappling with the problems of the underclass, religion and education voucher programs for low-income parents are indispensable complements to serious welfare reform.

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The Importance of Vouchers for Social Health
Education vouchers promise quality education for children and to restore order to our fragmented society. *(Independence Institute, 1995, 6 pp.)*

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by Sen. Chris Lauzen (Illinois)

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TABLE OF CONTENTS

Budget 3
Civil Rights 3
Crime 4
Economic Development 5
Economy 5
Education 6
Environment 7
Family 10
Governing 10
Health Care 12
Labor 13
Law 13
Privatization 14
Regulation 14
Society 15
Taxes 17
Trade 18
Transportation 18
Welfare 19
Account Application 19

BUDGET

Clinton's FY 1997 Budget: The Era of Big Government Lives On

by Scott A. Hodge

President Clinton asserted that the "era of big government is over," but his assessment may have been premature. His budget for Fiscal Year 1997 would mean $1,927 in higher taxes and $3,155 in higher spending for every household in America over the next seven years. "Although the Clinton budget balances on paper, it flinches from making the tough decisions needed to eliminate wasteful and outmoded programs, end welfare as we know it, save Medicare from bankruptcy, or transfer failing federal programs to the states."

Backgrounder, March 11, 1996
The Heritage Foundation
PolicyFax #0808403 (13 pp.)

Expanding IRAs: Good for Savings, Good for America (Part 1 of 4: An Overview)

Expanding eligibility for Individual Retirement Accounts (IRAs) is both sound policy and sound politics. Such a move would dramatically increase America's sagging savings rate. It would also be very popular with the American people, who, according to several recent polls, overwhelmingly support the idea.

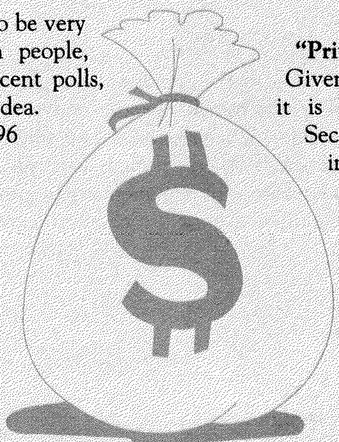
Capitol Comment, April 5, 1996
Citizens for a Sound Economy
PolicyFax #8036119 (2 pp.)

Privatized Social Security Works Abroad

by Pete du Pont

What do Chile and Singapore have in common? Both countries operate private-sector retirement systems that could serve as a model for U.S. Social Security privatization. In Chile, for example, the average annual IRA yield has been 10 percent, compared to a 2.2 percent lifetime yield for a 45-year-old in the Social Security system.

Article, April 22, 1996
Insight on the News
PolicyFax #8036117 (1 p.)



"Privatizing" Social Security

Given its huge unfunded liabilities, it is most improbable that Social Security can be fully privatized in any conventional sense of that term: "What private concern . . . would be willing to assume a multi-trillion dollar unfunded liability extending many decades into the future? . . . While it is hard to see how Social Security *could* be privatized backward to cover existing liabilities, it clearly could be privatized forward to fund the future benefits of younger wage earners."

Research Report, April 1, 1996
American Institute
for Economic Research
PolicyFax #8036118 (2 pp.)

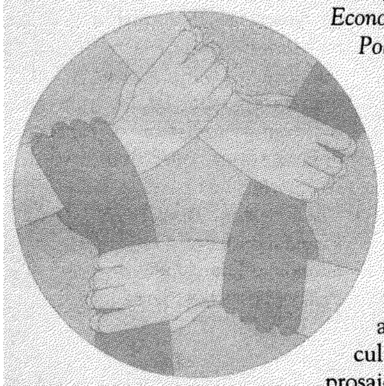
CIVIL RIGHTS

Mary Wollstonecraft—Equal Rights for Women

by Jim Powell

Eighteenth century British author Mary Wollstonecraft was one of the most important figures in the early feminist movement. This brief biographical essay tells her story and outlines her most influential work, *A Vindication of the Rights of Woman.*

The Freeman, April 1996
Foundation for
Economic Education
PolicyFax #1224101 (6 pp.)



The Angry White Male Is a Straw Man

by Jack Citrin

"The abrupt emergence of affirmative action as an election issue has prompted pundits to assume a groundswell of new opposition, principally among white males angered by economic stagnation and cultural displacement. The facts are more prosaic."

Public Affairs Report, January 1996
Institute for Governmental Studies
PolicyFax #1200109 (5 pp.)

End Games: A Review of *The End of Racism*

by John Hood

The president of the John Locke Foundation reviews Dinesh D'Souza's controversial book on race relations, *The End of Racism: Principles for a Multiracial Society.* Hood argues that although D'Souza has important things to say about race and public policy, parts of his analysis are insensitive and deeply flawed.

Article, February 1996
Reason
PolicyFax #1200110 (4 pp.)

The Diversity Myth

by Michael Rothschild

Most Americans fear a "diverse" society. That's unfortunate, because our diversity could become our country's most precious economic asset.

Essay, 1993
The Bionomics Institute
PolicyFax #1215101 (3 pp.)

CRIME

Handgun Control, M.D.

by Tucker Carlson

Many physician activists are referring to the "epidemic" of gun-related violence as a "public health" problem—a "chronic and recurrent disease" necessitating strict gun control legislation. "The physicians churn out a seemingly endless series of op-eds, though it is not clear that they are adding much to the debate. The arguments that surround gun violence are complicated, the obvious conclusions often less obvious than they appear."

Article, April 15, 1996
The Weekly Standard
PolicyFax #1328409 (4 pp.)

South Carolinians Have Nothing to Worry about from Concealed Handguns

by Andrew Cline

"Though there is no correlation between concealed carry of handguns and increases in violent crime, gun opponents continue to link the two. This is a terrible problem because when legislators act on this misinformation, their actions cost lives. . . . [A]llowing citizens to arm themselves does not increase homicide rates or overall crime rates."

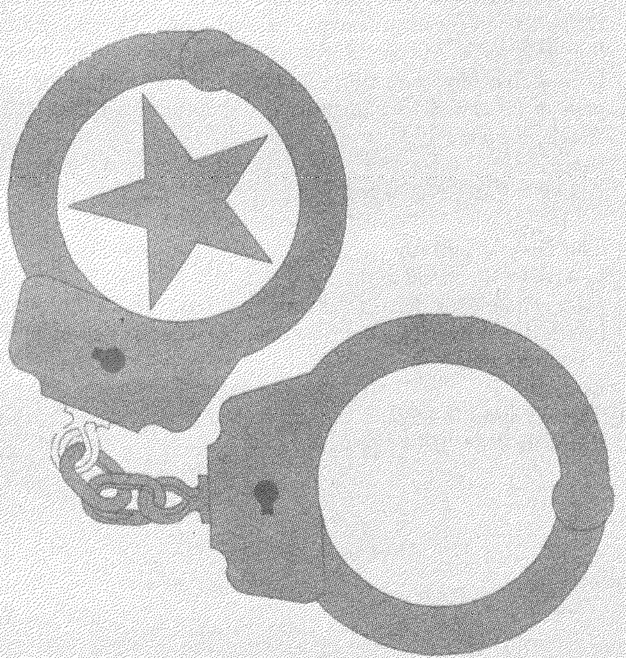
Capital Comment, March 1996
South Carolina Policy Council
PolicyFax #1328109 (2 pp.)

Q: Is the Federal Ban on Assault Weapons Working?

by Sen. Dianne Feinstein and Dan Gifford

Two observers—California senator Dianne Feinstein and president of Somford Entertainment Dan Gifford—debate the impact of the federal ban on assault weapons. Senator Feinstein argues that after only fourteen months the law is already having a positive impact. Gifford, a former reporter for CNN and the "MacNeil/Lehrer NewsHour," argues that the ban is a feel-good law that tramples the Constitution.

Article, February 26, 1996
Insight on the News
PolicyFax #1328410 (3 pp.)



Juvenile Justice Requires Juvenile Responsibility

by Nick Gillespie and Joseph Overton

"There is nothing particularly mysterious or elusive about reducing the incidence of juvenile crime. It will respond to the same thing that works with 'adult' crime: raising the costs of criminal behavior, thereby making it less attractive as an alternative to lawful behavior." *Did you know* that, according to the FBI, juvenile arrest rates for violent crime jumped 128 percent for murder and non-negligent manslaughter (versus 9 percent for adults); 95 percent for aggravated assault (versus 69 percent); and 25 percent for rape (versus 14 percent).

Viewpoint, March 4, 1996
Mackinac Center for Public Policy
PolicyFax #4840101 (2 pp.)

The Drug War

The War on Drugs Is Lost

In February *National Review*, long the voice of conservatives, came out in favor of drug legalization. Seven observers—William F. Buckley, Ethan A. Nadelmann, Kurt Schmoke, Joseph D. McNamara, Robert W. Sweet, Thomas Szasz, and Steven B. Duke—explain why they think the War on Drugs has failed, and how best to address the drug issue in American society.

Article, February 12, 1996
National Review
PolicyFax #1392405 (14 pp.)

National Review Drug Legalization Issue Based on Misinformation

A press release by the Council on Crime in America, a bipartisan group opposing drug legalization, takes issue with *National Review's* recent conclusion that "The War on Drugs Is Lost." According to the Council, drug use by non-addicts declined by over 50 percent between 1979 and 1992.

Press Release, January 24, 1996
Council on Crime in America
PolicyFax #1392106 (2 pp.)

Drug Legalization: Time for a Real Debate

by Paul B. Stares

Both proponents and opponents of drug legalization make good arguments, which means that the nation would benefit from an informed debate on the subject. "With the situation apparently deteriorating in the United States as well as abroad, there is no better time for a fundamental reassessment of whether our existing responses to this problem are sufficient to meet the likely challenges ahead."

The Brookings Review, Spring 1996
The Brookings Institution
PolicyFax #1392404 (4 pp.)

Born Again: The Resurgence of American Prohibition

by Mark Edward Lender

Alcohol prohibition was a failure during the 1920s, yet our increasing regulation of tobacco demonstrates our inability to learn from our past.

The Freeman, April 1996
Foundation for Economic Education
PolicyFax #1378101 (2 pp.)

ECONOMIC DEVELOPMENT

Cutting Taxes Best Way Out of Business Incentive Game

by Sam Staley

State government officials credit Ohio's economic boom to its selective tax breaks for businesses. However, less than two-tenths of one percent of all Ohio companies received this targeted assistance in 1994. A better strategy would be to give across-the-board tax cuts to all Ohio businesses.

Perspective, February 16, 1996
Buckeye Institute for Public Policy Solutions
PolicyFax #1901101 (3 pp.)

The Futility of Tax Competition for Business

by James R. Rogers, Ph.D., J.D.

Rather than granting businesses tax abatements and subsidies in an effort to induce them to relocate to a particular state, states should instead require that their tax laws treat all businesses uniformly.

Issue Paper, January 1996
Constitutional Heritage Institute
PolicyFax #1901301
(executive summary and introduction, 6 pp.)

Resolution: End the Economic War between the States

Six Ohio state senators have cosponsored a resolution "to urge the United States Congress, governors of other states, and other state legislatures to support H.R. 1842 and other legislative initiatives to mitigate the economic warfare among the states that has resulted from the adoption of targeted business incentive programs." Get the full text of the resolution through *PolicyFax.*

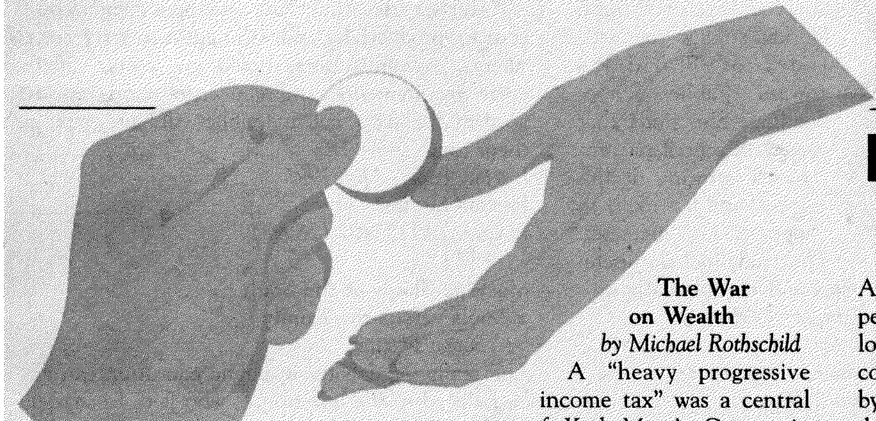
Resolution, 1996
Ohio State Senate
PolicyFax #1901601 (2 pp.)

Congress Should End the Economic War for Sports and Other Businesses

by Melvin L. Burstein and Arthur J. Rolnick

Sports teams are just one example of businesses that demand public money from cities and states. Congressional legislation prohibiting states from offering subsidies and preferential taxes to retain businesses may be the only effective solution to the problem.

Perspective, February 19, 1996
The Heartland Institute
PolicyFax #1900112 (3 pp.)



ECONOMY

The War on Wealth

by Michael Rothschild

A "heavy progressive income tax" was a central component of Karl Marx's *Communist Manifesto.* It's also an anachronism that is contributing to America's "pathetically inadequate levels of savings and investment."

Essay, March 1992
The Bionomics Institute
PolicyFax #8024109 (4 pp.)

The Parasites Within

by Michael Rothschild

Nature abounds with parasites—and so does the economy. Government bureaucrats sap resources, slow response times, and raise costs.

Essay, June 1992
The Bionomics Institute
PolicyFax #2022106 (3 pp.)

Just One More Fix

by Michael Rothschild

In 1993 economists wondered if a $20 billion stimulus package would be enough to "jump start" the then-stagnant American economy. But does it really make sense that "a 5 percent increase in the annual deficit . . . could initiate a long-term turnaround of the American economy? Would any competent CEO, brought in to turn around a company, start by attempting to convince his board and bankers that even deeper losses are the path to eventual recovery?"

Essay, January 1993
The Bionomics Institute
PolicyFax #0808108 (4 pp.)

The Microprocessor Renaissance

by Michael Rothschild

The invention of the microprocessor, writes the president of The Bionomics Institute, is the "most profound technical advance in 500 years—since Johann Gutenberg's artisans created movable type printing in 1452."

Essay, May 1992
The Bionomics Institute
PolicyFax #2034102 (3 pp.)

Ohio Finance Laws Hamstring Public Schools

by David M. Zimov

Ohio laws mandate that all public school financial transactions—even student activity fees—be processed by a school district's central office. These bureaucratic rules hinder local principals' and administrators' ability to run Ohio's public schools effectively.

Perspective, March 13, 1996
Buckeye Institute for Public Policy Solutions
PolicyFax #2166103 (3 pp.)

The Widening Gap between Florida's Public Schools and Their Communities

by Susan A. MacManus

A professor of public administration and political science at the University of South Florida studies the attitudes of Floridians toward public school funding. She finds that voters in school referenda are growing disillusioned and less likely to approve tax increases. This study includes useful survey data and analysis.

Policy Report No. 18, February 1996
The James Madison Institute
PolicyFax #2100404 (part 1, 12 pp.)
#2100405 (part 2, 9 pp.)
#2100406 (part 3, 11 pp.)

School Reform in the United States: State-by-State Summary

The Center for Education Reform has prepared a state-by-state summary of the status of education reform efforts. The summary reveals that recent state-level reforms have been extremely promising.

Summary, Winter 1996
Center for Education Reform
PolicyFax #2100407 (part 1, 11 pp.)
#2100408 (part 2, 11 pp.)
#2100409 (part 3, 11 pp.)

Weatherbeaten Shacks, Ignorant Parents: What's behind School Consolidation?

by Bill Kauffman

A growing trend toward school consolidation threatens the neighborhood school—not to mention education. *Fact:* The number of school districts in America has fallen from 127,531 in 1932 to 14,556 in 1992.

The Family in America, April 1996
The Rockford Institute
PolicyFax #2166406 (7 pp.)

Changing the Monopoly Structure of Public Education

by James A. Peyser

The executive director of the Pioneer Institute argues that the key to improving our schools is to eliminate the state's monopoly power over them. "Like all monopolies, the public education system is marked by a preoccupation with politics and bureaucracy rather than customers and quality, resulting in stagnation, if not decline."

Dialogue, March 1996
Pioneer Institute for Public Policy Research
PolicyFax #2166201 (7 pp.)

American Higher Education: Behind the Emerald City's Curtain

by Chester E. Finn, Jr., and Bruno V. Manno

U.S. higher education must develop a greater concern for productivity and willingness to serve consumers. Administrators should cut costs, stiffen entry requirements, and concentrate on serious academic subjects, but the public will have to push them to do so.

Briefing Paper, April 1996
Hudson Institute
PolicyFax #2132402 (16 pp.)

Machine Shops of the Soul: Schools versus the Family

by Thomas Fleming

The really big debates in public education can all be reduced to the question of who is to be master of the children—the parents or the state.

The Family in America, March 1996
The Rockford Institute
PolicyFax #2166104 (7 pp.)

Raising the Bar: Minority Pupils Excel the Old-Fashioned Way

by Nina H. Shokraii

Racial quotas reinforce defeatism. The best way to open opportunity for blacks and Hispanics is to set high academic standards for all. *Case in point:* Rafe Esquith is a fifth- and sixth-grade teacher in Los Angeles. Most students in Esquith's school are minorities; 80 percent are Hispanic, 16 percent Asian, and 2 percent African-American. Three-quarters have single parents, and many come from

Education
continued on page 7

EDUCATION

Education
continued from page 6

alcoholic families. But by the end of sixth grade, his students have finished a year of algebra and classical literature—including eight of Shakespeare's plays. On the Comprehensive Test of Basic Skills, his students scored in the 92nd percentile (the district averaged in the 35th percentile), even though most of his students speak English as a second language.
Policy Review, March/April 1996
The Heritage Foundation
PolicyFax #1200414 (5 pp.)

> *Did you know* that 25 percent of American college freshmen spend no time reading for pleasure, and that only 3 percent want to be lawyers (an all-time low). For more data about American college freshmen, order document #2132106.

Students Take Middle Road
by Carol Innerst
New data from UCLA and the American Council of Education reveal interesting information about America's college freshmen. Students' political views are moving toward the center—54 percent called their political views "middle of the road," up from 52.6 percent a year ago. Meanwhile, students are also moving toward the extremes: 1.6 percent describe themselves as belonging to the "far right" (an all-time high), while 2.7 percent describe themselves as belonging to the "far left" (a twenty-five-year high).
Article, February 5, 1996
Insight on the News
PolicyFax #2132106 (1 p.)

Returning to Education Reform
by Dr. Charles E. Greenawalt II
Lists a dozen factors contributing to Pennsylvania's—and, by extension, the nation's—education problems. Also summarizes six major areas in which reforms ought to be pursued.
Issue Brief, February 1996
The Commonwealth Foundation
PolicyFax #2100102 (4 pp.)

Education Reform: Lessons from Michigan
by Lawrence W. Reed
The president of the Mackinac Center for Public Policy tells the story of education reform in Michigan, and the battles fought against the state's powerful teachers union.
Dialogue, February 1996
Pioneer Institute for Public Policy Research
PolicyFax #2105201 (4 pp.)

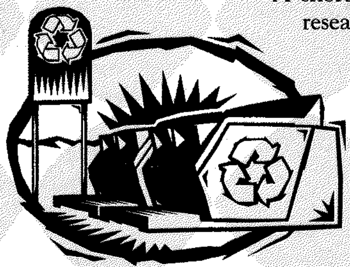
California's Berlin Wall
by Michael Rothschild
California's failed Proposition 174, the 1993 resolution that would have instituted school vouchers in the Golden State, would have been an important reform. Bionomics Institute president Rothschild explains why and responds to the criticisms of school choice opponents.
Essay, October 1993
The Bionomics Institute
PolicyFax #2184125 (4 pp.)

Choose Choice: The Bionomic View
by Michael Rothschild
Sixty percent of 1992 California public school seniors left school with seventh-grade skills or less, wholly unprepared for our high-tech economy. School choice could teach them the skills they need to know to succeed, and benefit the rest of us who depend on their expertise.
Essay, 1992
The Bionomics Institute
PolicyFax #2184126 (3 pp.)

ENVIRONMENT

The Electric Car Seduction
by Lawrence W. Reed
Michigan is now considering laws that would subsidize alternative fuels and mandate the use of electric cars or other vehicles that don't use gasoline. But these measures should prompt several questions in the minds of Michigan taxpayers: "If alternative fuels are all that they are cracked up to be, why do politicians have to get involved? Why can't alternative fuel vehicles succeed on their own?" *Fact:* Electric cars currently cost between $28,000 and $48,000 to make. Batteries for them start at $1,500 and must be recharged for at least five hours after driving less than 150 miles.
Viewpoint, March 4, 1996
Mackinac Center for Public Policy
PolicyFax #2305116 (2 pp.)

Science without Sense: The Risky Business of Public Health Research
by Steven Milloy
A short book that examines the sorry state of public health research. Milloy, director of science policy studies at the National Environmental Policy Institute, sets forth the process by which public health researchers mislead the public into thinking that the world is becoming less safe.
Excerpt, 1995
Cato Institute
PolicyFax #2300402
(introduction, preface, and chapters 1-3, 11 pp.)



The Failure of Flow Control
by Jonathan H. Adler
The director of environmental studies at the Competitive Enterprise Institute explains why flow control—the practice whereby a local gov-

Environment
continued on page 8

ENVIRONMENT

Environment
continued from page 7

ernment requires that all waste within its jurisdiction be processed at designated facilities—is anticompetitive and inefficient. According to a study by National Economic Research Associates, flow control increases disposal costs by 40 percent, or $14 per ton.
Regulation, *1995 No. 2*
Cato Institute
PolicyFax #2377121 (4 pp.)

Sorting through the Trash Claims
by Lynn Scarlett
Reason Foundation vice president Lynn Scarlett questions ten commonly held myths about solid waste: 1) we are running out of landfill space; 2) Americans are especially wasteful; 3) packaging is bad; 4) plastics are very bad; 5) disposables are bad; 6) recycling is always good; 7) products not biodegradable are bad; 8) recycling paper saves trees; 9) we cannot safely dispose of solid waste; and 10) we are running out of resources.
Essay, 1996
PERC/Free Enterprise Institute
PolicyFax #2377411 (6 pp.)

How Source Reduction Helps Reduce the Solid Waste Stream
Source reduction—using less material in a package, in effect reducing the volume of packaging material that must be recycled or discarded after consumption—plays an important role in reducing solid waste.
Backgrounder, March 1995
Council on Packaging in the Environment
PolicyFax #2377122 (4 pp.)

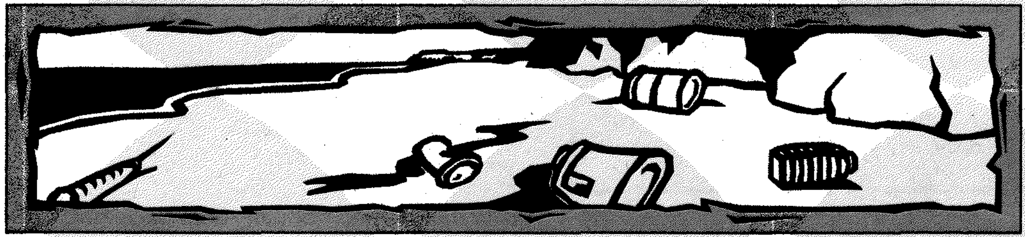
Natural Resources and Environmental Protection Act
Recent legislation passed by the Michigan House of Representatives allows businesses to conduct internal environmental audits, without fear of reprisal by state and federal environmental authorities. The bill is intended to encourage industries to clean up their environmental problems without subjecting themselves to the hundreds of thousands or millions of dollars in penalties that can result.
Legislation, February 27, 1996
Michigan House of Representatives
PolicyFax #2392603 (14 pp.)

Legislative Analysis, February 20, 1996
PolicyFax #2392604 (8 pp.)

Four Steps to Reforming Superfund
by H. Sterling Burnett
The National Center for Policy Analysis has proposed a four-step Superfund reform plan: 1) restore the polluter-pays principle; 2) require rational risk analysis; 3) stop mandating cleanup technology; and 4) restore federalism.
Brief Analysis, April 3, 1996
National Center for Policy Analysis
PolicyFax #2333305 (2 pp.)

Superfund: History of Failure
by H. Sterling Burnett
Surveys the dismal record of Superfund since the program's inception in 1980. *Did you know* that from thirty-six to sixty cents of every dollar spent on Superfund has gone for legal and other transaction costs.
Brief Analysis, March 21, 1996
National Center for Policy Analysis
PolicyFax #2333304 (2 pp.)

Biotechnology and Food
by Susanne L. Huttner, Ph.D.
The agricultural products of biotechnology present no inherent hazards to health and will bring substantial benefits to farmers, food processors, and consumers. These products do not demand any special regulatory review or labeling requirements.
Analysis, January 1996
American Council on Science and Health
PolicyFax #2307402 (14 pp.)



Rachel's Folly: The End of Chlorine
by Michelle Malkin and Michael Fumento
The potential human toll resulting from the eradication of chlorine—a goal of many environmentalists—would be staggering. "Every year," write science journalists Malkin and Fumento, "nearly 1.5 billion people—mostly children under five—suffer from preventable water-borne diseases such as cholera, typhoid fever, amoebic dysentery, bacterial gastroenteritis, giardiasis, schistosomiasis, and various viral diseases such as hepatitis A."
Analysis, March 1996
Competitive Enterprise Institute
PolicyFax #2315404 (part 1, 15 pp.)
#2315405 (part 2, 6 pp.)
#2315406 (part 3, 13 pp.)

Nature's Hormone Factory: Endocrine Disrupters in the Natural Environment
by Jonathan Tolman
Environmental activists recently launched a campaign to publicize the hypothetical risks to human health posed by synthetic chemicals that have the potential to disrupt endocrine systems. But while synthetic endocrine-disrupting compounds exist, they are far less prevalent than are their naturally occurring counterparts.
Analysis, March 1996
Competitive Enterprise Institute
PolicyFax #2315407 (14 pp.)

Environment
continued on page 9

ENVIRONMENT

Environment
continued from page 8

Emerging Technologies and the Private Stewardship of Marine Resources
by Michael De Alessi
Well-defined, enforceable, and transferable private property rights may be the solution to the problem of the overconsumption of fisheries. New technologies such as the Integrated Undersea Surveillance System and the Passive Integrated Transponder tag, to name just two, are for the first time making possible the private stewardship of marine resources.
Analysis, January 1996
Competitive Enterprise Institute
PolicyFax #2378415 (part 1, 11 pp.)
#2378416 (part 2, 11 pp.)

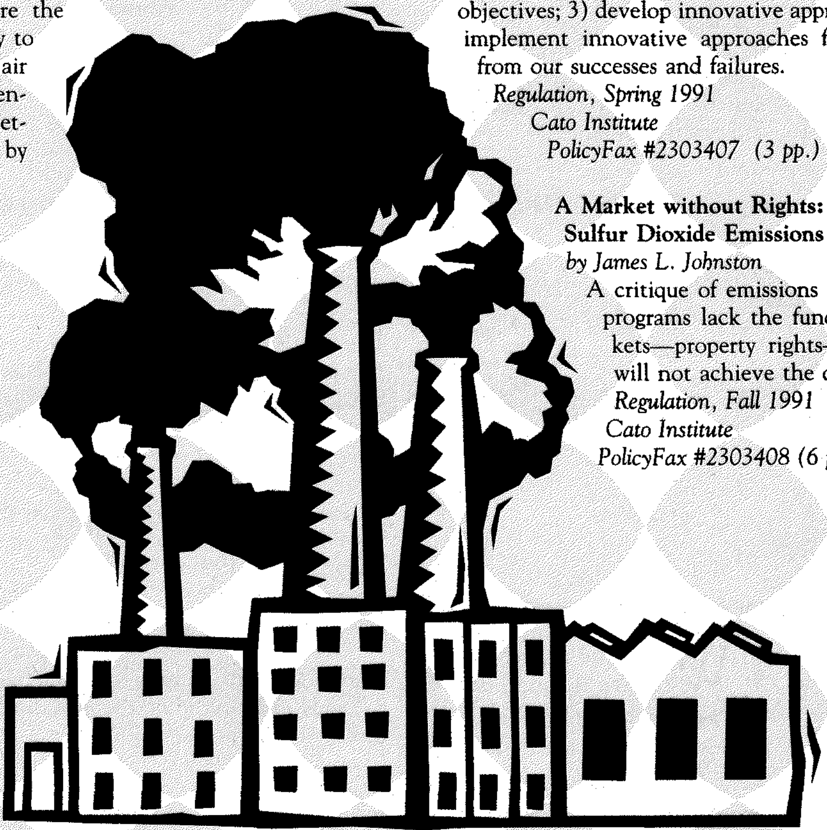
Green Markets: The Bionomic View
by Michael Rothschild
"Advanced technology can make an enormous contribution to the quality of our environment. . . . Now is the time to harness high-tech capitalism in the service of the environment. Green markets will make it happen."
Essay, November 1992
The Bionomics Institute
PolicyFax #2317103 (3 pp.)

Am I a Free Market Environmentalist?
by Dave Foreman
A cofounder of Earth First! shares his thoughts on conservation, the environmental movement, and the free market. "I think that conservationists have relied too much on federal government law and regulation," writes Foreman. "Part of the reason is that many conservationists (and even more environmentalists) have come from an activist liberal background. There's a problem? Pass a law!"
Report, March 1996
PERC
PolicyFax #2317104 (3 pp.)

Emissions Trading

Pollution Trading in La La Land
by James L. Johnston
Evaluates RECLAIM—the Regional Clean Air Incentives Market—an emissions trading market for Southern California. "Existing, tried-and-true market solutions, not government surrogates, are the only institutions that are likely to be effective in dealing with air pollution and other environmental problems." Includes three letter responses, with a rejoinder by Johnston.
Regulation, 1994 No. 3
Cato Institute
PolicyFax #2303405
(article, 11 pp.)

Regulation, 1994 No. 4
Cato Institute
PolicyFax #2303406
(response, 6 pp.)



A Recipe for Sustained Environmental Growth
by Robert W. Hahn
A distinguished scholar outlines a "five-step recipe for sustainable growth": 1) prioritize environmental problems; 2) define judicious objectives; 3) develop innovative approaches for problem solving; 4) implement innovative approaches for problem solving; 5) learn from our successes and failures.
Regulation, Spring 1991
Cato Institute
PolicyFax #2303407 (3 pp.)

A Market without Rights: Sulfur Dioxide Emissions Trading
by James L. Johnston
A critique of emissions trading programs. Because the programs lack the fundamental requirement of markets—property rights—they fail a crucial test and will not achieve the desired goals.
Regulation, Fall 1991
Cato Institute
PolicyFax #2303408 (6 pp.)

FAMILY

Will New Decency Standards on the Internet Protect America's Kids?
by Bruce A. Taylor
and Daniel J. Weitzner
Taylor, president of the National Law Center for Children and Families, and Weitzner, deputy director of the Center for Democracy and Technology, debate recent Congressional legislation seeking to restrict Internet pornography. Taylor applauds the legislation, arguing that it will protect America's children. Weitzner disagrees, arguing that the law will fail to solve the problem it seeks to address, while trampling free-speech rights.
Article, March 4, 1996
Insight on the News
PolicyFax #2410101 (4 pp.)

A Statement of Pro-Life Principle and Concern
Forty-five prominent academics have signed a statement affirming pro-life principles. "The pro-life movement is about affirmation," they write. "Thus we ask our neighbors, of whatever political persuasion or current conviction on the matter of abortion, to engage in a great national debate about the America we seek, and the relationship of the abortion license to that future. . . . Work on alternatives to abortion and on the reform of adoption laws and procedures can create the conditions for a new dialogue on the future of abortion law and practice in America."
Article, March 26, 1996
National Review
PolicyFax #2410101 (5 pp.)

Abortion and Possible Risk for Breast Cancer: Analysis and Inconsistencies
Summarizes findings of a study reported in the *Journal of the National Cancer Institute*, which determines that the evidence linking breast cancer and induced abortion is inconclusive.
Summary, December 1994
National Cancer Institute
PolicyFax #2400117 (2 pp.)

Watch this space in future issues of *PolicyFax* Update for more documents on both sides of the abortion debate.

American Life League

Featured Organization

American Life League is committed to working toward a society "in which all innocent human life is respected and protected." For more information, call 540/659-4171.

Capitol Hill Update
A regularly updated newsletter outlining recent developments in the pro-life movement.
Update, 1996
American Life League
PolicyFax #2404000 (2 pp.)

The Push for an American Chemical Abortion Regimen
Using RU-486, the "abortion pill," is not the simple procedure advocates claim it is.
Essay, Spring 1993
American Life League
PolicyFax #2404101 (6 pp.)

The Truth Will Set Them Free
Do pro-life advocates have fewer rights to free speech?
Essay, Spring 1993
American Life League
PolicyFax #2404102 (5 pp.)

The Truth May Hurt, but It's Not a Bullet
The pro-life movement is not to blame for abortion clinic violence.
Essay, Spring 1995
American Life League
PolicyFax #2404102 (6 pp.)

Where the States Stand on Human Embryo Research
Examines different state laws addressing research on human embryos.
Essay, Summer 1995
American Life League
PolicyFax #2404105(5 pp.)

Marital Consent Requirements for Unemancipated Minors
A handy chart outlining the marital consent requirements for minors in the fifty states and the District of Columbia
Essay, Winter 1994-95
American Life League
PolicyFax #2404103 (8 pp.)

GOVERNING

Reducing the Size and Cost of State Government
by Bob Williams and Lynn Harsh
The Evergreen Freedom Foundation has released a new 102-page study intended to guide Washington State lawmakers in their efforts to reduce the size and scope of government. It is a useful reference for policymakers in any state.
Study, January 1996
Evergreen Freedom Foundation
PolicyFax #2800305
(preface and introduction, 4 pp.)

Libertarians Ride the Wave
by Chi Chi Sileo
What was once considered a radical idea is becoming mainstream: Libertarianism is a political philosophy whose time may have come. This article surveys the growth of the libertarian movement.
Article, July 24, 1995
Insight on the News
PolicyFax #2814401 (4 pp.)

Top Ten Political Slush Funds
by Charles P. Griffin
The Heritage Foundation has compiled a list of the top ten "political slush funds"—government programs that use their budgets to subsidize political activism.
Backgrounder, March 4, 1996
The Heritage Foundation
PolicyFax #2814402 (14 pp.)

Oregon Election Previews AFL-CIO's 1996 Political Plans
by Charles P. Griffin
Labor unions have vowed to make themselves a major force in the 1996 elections. That would be fine if the unions didn't force members to subsidize that political activity through regular dues payments.
Backgrounder, February 7, 1996
The Heritage Foundation
PolicyFax #2814403 (9 pp.)

A Republican Agenda to Reverse the Clinton Crunch
by Rep. Dick Armey
The Majority Leader of the House of Representatives presents a nine-point agenda to restore American prosperity.
The Heritage Lectures, February 27, 1996
The Heritage Foundation
PolicyFax #2814201 (6 pp.)

A New Contract with America
by Sam Brownback
A freshman congressman suggests a new Contract with America. Among his suggestions: reduce federal spending from 22 percent of GDP to 15 percent or less; consolidate fourteen cabinet agencies into perhaps nine; create a constitutional caucus to evaluate all federal programs for an authorizing principle under the constitution; and pay off the national debt.
Policy Review, March/April 1996
The Heritage Foundation
PolicyFax #2800408 (5 pp.)

Capital Crimes: Political Centers as Parasite Economies
by Richard K. Vedder
Capital cities in the United States are "parasite economies" that drain resources from surrounding areas and improve "their economic well-being at the expense of those working in the productive private economy," writes Ohio University economist Richard K. Vedder.
Policy Analysis, February 28, 1996
Cato Institute
PolicyFax #0865408
(part 1, 12 pp.)
#0865409
(part 2, 12 pp.)

Greenhorn Government
by Rob Gurwitt
Opponents of term limits argue that valuable legislative experience will be lost by arbitrarily restricting the number of years legislators can serve. Might the critics have a point?
Governing, February 1996
Congressional Quarterly
PolicyFax #2800110 (5 pp.)

NOTA: Returning Power to the Voters
by Betsy Sexton
A possible alternative to term limits is None-of-the-Above (NOTA). The NOTA option allows voters to voice their discontent with existing candidates. Voting for NOTA is already a viable alternative in Nevada, where it seems to have a positive effect on the election process and campaigns.
Policy Insight, October 1995
Free Congress Foundation
PolicyFax #2800123 (2 pp.)

Position Paper on the National Minimum Drinking Age
A position paper from the National Licensed Beverage Association calling for Congress "to repeal the national minimum drinking age and leave to the states the choice for the sale and purchases of alcohol beverage products."
Position Paper, 1996
National Licensed Beverage Association
PolicyFax #4835302 (2 pp.)

Position Paper on Drunk Driving Issues
A position paper from the National Licensed Beverage Association opposing "the passage of any federal legislation that establishes a national minimum .08 BAC (blood alcohol content) level or imposes on the states any requirements relating to automatic license revocation or other drunk driving initiatives."
Position Paper, 1996
National Licensed Beverage Association
PolicyFax #4835301 (2 pp.)

Position Paper on Anti-Smoking Initiatives
A position paper from the National Licensed Beverage Association calling on Congress to "oppose federal regulation by OSHA, the FDA, or any other federal agency relating to anti-smoking initiatives."
Position Paper, 1996
National Licensed Beverage Association
PolicyFax #2380301 (2 pp.)

The Brookings Institution has launched an interactive Internet discussion group on campaign finance reform. Governmental studies director Thomas E. Mann directs the project, monitors contributions, and moderates a sequence of "rounds" that is updated weekly. The discussion will focus on key questions raised by proposed campaign finance reform legislation. To view the proceedings, point your Web browser to **http://www.brook.edu/gs/campaign/home.htm**.

Annexation Is Not the Key to Urban Revitalization
by Sam Staley
Cities such as Phoenix, San Antonio, San Jose, and Indianapolis have partly attributed their economic success to their annexation of surrounding communities. But the merits of doing so are not clear-cut, and citizens and voters ought to consider the full implications of annexation and consolidation before embracing the ideas.
Indiana Policy Review, Autumn 1995
Indiana Policy Review Foundation
PolicyFax #2813401 (5 pp.)

HEALTH CARE

Key Changes Needed in the Governors' Medicaid Proposal

"The congressional leadership is drafting comprehensive Medicaid reform legislation based on a recent outline proposal endorsed unanimously by the National Governors Association (NGA). But unless the legislation differs sharply from the governors' outline in some critical details, it will be a disaster rather than a reform, preserving some of the worst features of today's Medicaid program while opening the door to another state-led raid on the U.S. Treasury. To avoid this, the legislation must make two crucial changes in the governors' plan: It must limit the categories of Americans' guaranteed benefits and, even more important, must not include an open-ended state entitlement to 'umbrella' funds."

F.Y.I., March 12, 1996
The Heritage Foundation
PolicyFax #3254101 (3 pp.)

The Costs to the States of Not Fundamentally Reforming Medicaid

"If significant reforms in Medicaid are not enacted, states will face a heavy increase in spending and a rise in the proportion of their projected revenues that must be dedicated to the program. And because the rate of growth in state Medicaid spending will exceed the rate for total state spending, the states will be forced either to increase taxes or to divert money from other programs, such as education and crime control."

Committee Brief, February 8, 1996
The Heritage Foundation
PolicyFax #3228412 (6 pp.)

A Guide to Kassebaum-Kennedy

Both houses of Congress soon will consider the Health Insurance Reform Act of 1995, co-sponsored by Sens. Nancy Kassebaum (R-Kan.) and Edward Kennedy (D-Mass.). Although the bill addresses legitimate concerns about a lack of health insurance portability, it is bad legislation that could increase the federal government's regulatory power.

Issue Bulletin, March 22, 1996
The Heritage Foundation
PolicyFax #3228605 (part 1, 8 pp.)
#3228606 (part 2, 10 pp.)

Dangerous Medicine: The Kassebaum-Kennedy Health Insurance Bill

by John S. Tottie

The Health Insurance Reform Act of 1995 is not the modest, commonsense-based reform proposal proponents say it is. The proposal shares one fundamental characteristic with President Clinton's failed 1994 health care reform proposal: the view that government is the solution, rather than the problem, in the health insurance market.

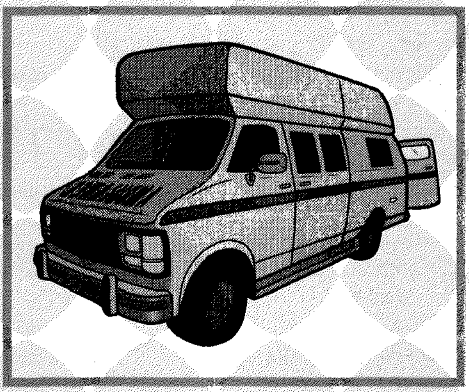
Issue Analysis, February 8, 1996
Citizens for a Sound Economy
PolicyFax #3236406 (7 pp.)

Solving the Problem of Health Insurance Portability

by Merrill Matthews, Jr., Ph.D.

The Health Insurance Reform Act is "an effort to solve the problem of the 1 percent [of the population denied health insurance due to a preexisting condition that] would impose mandates and restrictions creating even greater problems for the other 99 percent." A variety of reforms, however, could do a better job of fixing what's broken with America's health care system, including creating portability among employer plans, implementing risk pools, or creating Medical Savings Accounts.

Brief Analysis, March 12, 1996
National Center for Policy Analysis
PolicyFax #3236406 (2 pp.)



The FDA's Gag Rule Restricts Your Doctor's Effectiveness

by Michael F. Cannon

The Food and Drug Administration is charged by Congress with the task of regulating drugs and medical devices to promote the health of the American people. But in its zealous pursuit of this goal, the FDA has violated the First Amendment by keeping from doctors valuable information about promising new treatments. Since 1991 the FDA has pursued a policy that restricts the amount of information available to doctors on every drug and medical device sold in the United States.

Issue Analysis, March 22, 1996
Citizens for a Sound Economy
PolicyFax #3264108 (8 pp.)

What's Wrong at the FDA?

by Michael F. Cannon

The Food and Drug Administration was established to promote the health and quality of life of Americans. But what if the FDA is doing more harm than good? In 1993, for example, the cost of developing a new drug and bringing it to the market was estimated to be over $359 million.

Background, March 4, 1996
Citizens for a Sound Economy
PolicyFax #3264109 (2 pp.)

Dr. Kessler: Leading or Misleading at the FDA?

by Lydia Verheggen

While Dr. David Kessler, commissioner of the Food and Drug Administration, claims his agency's performance and response time are improving, in most cases the FDA's product review process takes years, and the few improvements are not as significant as Kessler has led us to believe.

Issue Analysis, February 16, 1996
Citizens for a Sound Economy
PolicyFax #7212407 (6 pp.)

Medical Savings Accounts: The Right Way to Reform Health Care

by Peter Barwick

"Medical savings accounts are an idea whose time has come. They reduce health care spending while improving the quality of service, preserving patient and physician autonomy, and reducing unnecessary regulation and paperwork." *Fact:* A survey of Golden Rule Insurance Company employees found that 20 percent used their MSAs for medical services they would not have purchased under a traditional plan.

Issue Paper, March 1996
South Carolina Policy Council
PolicyFax #3253412 (7 pp.)

Pre-Existing Condition

by Michael Rothschild

"Instead of creating a genuine health care market, where all Americans have incentives to behave like prudent consumers, our master planners offer up more mandates, taxes, regulations, and bureaucracy."

Essay, August 1993
The Bionomics Institute
PolicyFax #3200103 (3 pp.)

LABOR

Minimum Wage Means Minimum Jobs
by John S. Tottie
"Abolishing the minimum wage—not raising it—is the best way to enable entry-level workers and Americans striving to enter the labor force to gain the experience they need to advance." According to economists David Neumark of Michigan State University and William Wascher of the Federal Reserve, raising the minimum wage to $5.15 would result in between 508,000 and 677,000 jobs lost for teenagers and young adults.
Capitol Comment, March 22, 1996
Citizens for a Sound Economy
PolicyFax #2200110 (2 pp.)

More on the Minimum Wage
by William A. Niskanen
The chairman of the Cato Institute and former member of President Reagan's council of economic advisors surveys two new studies analyzing the unemployment effects of minimum wages. One of those studies, from March 1995 by Richard Burkhauser and Kenneth Couch of Syracuse University and Andrew Glenn of Vanderbilt University, suggests that President Clinton's proposed minimum wage increase to $5.15 per hour would cost employers and consumers about $10 billion a year.
Regulation, 1995 No. 2
Cato Institute
PolicyFax #2200111 (3 pp.)

Jobs up in Right-to-Work States: Evidence from State Borders
by David Kendrick
Compares employment levels between right-to-work and non-right-to-work states and finds that, on average, employment increases by one-third in right-to-work states.
Issue Brief, March 22, 1996
National Institute for Labor Relations Research
PolicyFax #2200304 (3 pp.)

LAW

Punitive Damages in California: A Review and Comparison of the Evidence
by Steven Hayward
Punitive damages are awarded more frequently in California than in the rest of the nation. The size of punitive damages awards in California, moreover, is also far higher than in the rest of the nation.
Briefing, March 1996
Pacific Research Institute
PolicyFax #4800405 (9 pp.)

Taming the Litigators? Why Not More Disclosure?
by Walter Olson
A prominent legal reform proponent calls for tighter disclosure laws for lawyers as a way of curbing lawyers' power. "Because we exempt the litigation business from ordinarily expected kinds of disclosure," he argues, "we make it easier for lawyers to exploit both their clients and their opponents; we deprive judges and juries of material facts that might lead them to discount arguments or put lawyers' conduct in perspective; we insulate disciplinary panels from evidence of lawyer misconduct; we prevent scholars from reaching agreement on the size or growth of the litigation sector; and we keep lawmakers and the public in the dark about abuses, thus retarding efforts to reform the system."
Civil Justice Memo, February 1996
Manhattan Institute for Policy Research
PolicyFax #4800107 (4 pp.)

The Continuing Case for Property Rights: A Look at 1996 Legislation
by Elaine R. Davis
A senior research fellow at the Washington Institute for Policy Studies examines the prospect for 1996 property rights legislation in Washington State. This paper also analyzes the history behind the state's recent property rights legislative battles.
Analysis, February 1996
Washington Institute for Policy Studies
PolicyFax #2366605 (8 pp.)

Citizens against Repressive Zoning (CARZ) is seeking the stories of citizens and attorneys who have taken on their local governments and won. If you have succeeded in thwarting a local nuisance zoning code or eliminating burdensome zoning regulations, please contact Jack Down, Ph.D., at 517/351-6751 (e-mail malzoning@aol.com).

1995-96 Private Property Congressional Vote Index
The League of Private Property Voters has compiled an index of the voting records on private property issues of every member of Congress. During 1995-96, seventy-one members of the House and forty-one senators achieved perfect scores of one hundred. At the same time, eighty-four representatives and twenty-three senators received grades of zero.
Index, February 1996
League of Private Property Voters
PolicyFax #4864402 (part 1, 7 pp.)
#4864403 (part 2, 11 pp.)

Tort Reform in Oklahoma: A Finger in the Dike
by Jack P. Gilchrist
Oklahoma's ailing civil justice system is desperately in need of repair. And while the "Oklahoma Act" was a helpful short-term measure, serious reform is needed to stem the litigious tide that is crippling Oklahoma's businesses.
Policy Analysis, March 1996
Oklahoma Council for Public Affairs
PolicyFax #4812401 (8 pp.)

Tort Reform on Trial
The U.S. tort system is in need of reform, especially in the areas of securities and exchange law and product liability, to curb incentives to litigate and to shorten the process and its damaging effects. Proceedings of a symposium sponsored by the Hudson Institute, featuring participants Leslie Lenkowsky, Michael Horowitz, Jack Levin, Simon Lorne, John Schmidt, and Sen. Spencer Abraham.
Briefing Paper, March 1996
Hudson Institute
PolicyFax #4800405 (12 pp.)

Survival Rules
by Michael Rothschild
Rather than focus on whether or not Microsoft has violated antitrust laws, we should instead question the very validity of the laws themselves.
Essay, February 1996
The Bionomics Institute
PolicyFax #2022109 (4 pp.)

PRIVATIZATION

Federal Power: The Case for Privatizing Electricity

by Douglas A. Houston

"At a time when President Clinton acknowledges that the era of big government is over and that government cannot solve all our problems, it would be sensible to begin this transition by eliminating the federal government's damaging role in our nation's power markets." The sale of federal power enterprises would raise between $15 and $30 billion, which could be applied to reducing the national debt.

Policy Study No. 201, March 1996
Reason Foundation
PolicyFax #6564302

The $7.7 Billion Mistake: Federal Barriers to State and Local Privatization

State and local governments own more than $227 billion worth of assets that could be privatized, but current federal policies make state and local privatization difficult and sometimes impossible. Three main federal barriers—grant requirements, regulatory requirements, and tax policies—inhibit state and local governments from embracing these cost-effective alternatives. (This study is also available on the World Wide Web at http://www.senate.gov/~jec/privat.html.)

Report, February 1996
Joint Economic Committee
PolicyFax #6500401 (13 pp.)

How Privatization Is Helping to Revive Peru

by Eric J. Lyman

Peruvian industries were nationalized during the country's military government of the early 1970s. Only now is Peru privatizing those industries, and citizens are reaping the benefits.

Article, February 1996
Reason
PolicyFax #6512102 (2 pp.)

REGULATION

Government Regulation and Medium-Sized Business

by Murray Weidenbaum

Many studies document the effects of regulation on small and large businesses. But the impact of regulation on medium-sized businesses has rarely been studied. A new paper addresses this shortcoming and demonstrates how medium-sized businesses in particular would benefit from a change in regulatory rules.

Contemporary Issues Series, March 1996
Center for the Study of American Business
PolicyFax #7212406 (7 pp.)

Washington State Regulatory Reform: Accomplishments and Comparisons

A new report by the Washington Institute for Policy Studies concludes that in 1995 the state's legislature took significant steps—most importantly the Regulatory Reform Act of 1995—to reform its regulatory structure. The report outlines the legislature's 1995 successes, and also identifies regulatory issues that still require legislative attention.

Report, January 9, 1996
Washington Institute for Policy Studies
PolicyFax #7211401 (10 pp.)

A Policymaker's Guide to Deregulating Telecommunications Part 6: A Free-Market Future for Spectrum

by Adam D. Thierer

"Spectrum socialism should end—and must end—if the United States hopes to remain on the cutting edge of wireless innovation. Policymakers must look beyond their myopic focus on older wireline industries and find new ways to encourage entrepreneurship in the wireless arena. Property rights in spectrum will guarantee such a result, since only by granting spectrum holders full flexibility and ownership in their allocation can policymakers expect to witness such a dramatic transformation. Unleashing the spectrum is the only way to ensure that this transformation is successful and the communications revolution is complete."

Talking Points, March 19, 1996
The Heritage Foundation
PolicyFax #7280401 (part 1, 10 pp.)
#7280402 (part 2, 11 pp.)

Air fares have fallen 33 percent since 1976, and are now about 22 percent lower than they would have been under regulation, saving air travelers $12.4 billion annually.
The Brookings Institution, 1995

Telecompetition Revisited: An Agenda

by Lawrence Gasman

"Despite the Republican Revolution," writes the author of *Telecompetition: The Free-Market Road to the Information Highway*, "the ultimate goals of telecommunications policy for many policymakers in this country differ little from the goals that permeate the 1934 Communications Act, which remains at the core of today's telecommunications policy." Proposes dramatically deregulating the telecommunications industry.

Regulation, 1995 No. 2
Cato Institute
PolicyFax #7280403 (10 pp.)

Techno-Policy or Techno-Pork?

by Michael Rothschild

Technology policy ought to reflect changing realities. Choosing "a technology policy that stacks new layers of government intervention atop the wreckage created by the existing regulatory system" will lead us toward competitive disaster.

Essay, March 1993
The Bionomics Institute
PolicyFax #1985101 (4 pp.)

FCC Ponders Bigger Federal Role in Children's Television

by Robert H. Knight

The Federal Communications Commission is considering a set of rules that would greatly increase federal oversight of children's television programming. But "more federal control

Regulation
continued on page 15

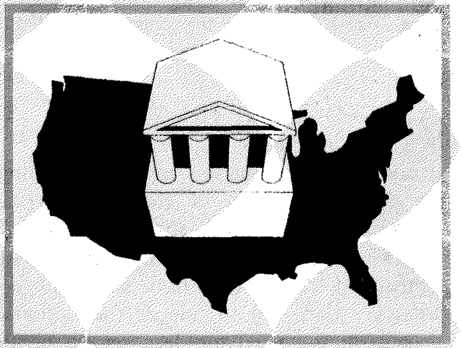
REGULATION

Regulation
continued from page 14

of children's television programming is not in the best interests of children and their parents and would constitute an unwarranted violation of the First Amendment rights of broadcasters."
Insight, December 15, 1995
Family Research Council
PolicyFax #2410402 (14 pp.)

Regulation's Trillion-Dollar Drag on Productivity
by Richard K. Vedder
Declines in U.S. labor productivity have largely been caused by an increase in government social and economic regulation, as "regulation not only allocates resources away from private activity, but it also changes private behavior, substituting compliance for innovative thinking."
Policy Brief, March 1996
Center for the Study of American Business
PolicyFax #7212408 (13 pp.)

A Small Contractor Learns Affirmative Action Arithmetic
by Tama Starr
The president of a small New York City business tells her tale of the maze of affirmative action regulations she must satisfy before accepting a single contract.
Article, February 1996
Reason
PolicyFax #1200415 (6 pp.)



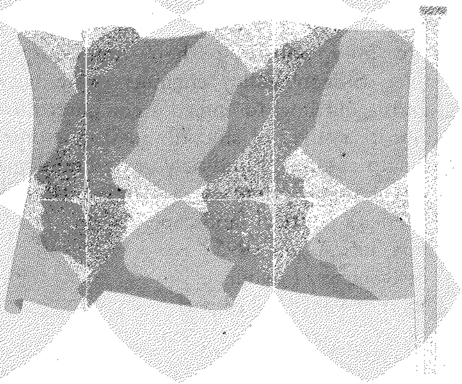
Handicapping Freedom: The Americans with Disabilities Act
by Edward L. Hudgins
The Americans with Disabilities Act is a classic example of a well-intentioned law that "was so poorly thought through that it is now, and likely in the future will be, a major source of lawsuits and unnecessary costs to the private and public sector." *Fact:* An August 1993 report by the state of Ohio estimated that the costs for conversions mandated by the ADA could be $311.5 million for its four thousand state buildings, $148.3 million for public transit, and $119.2 million for state universities and colleges.
Regulation, 1995 No. 2
Cato Institute
PolicyFax #1201401 (10 pp.)

SOCIETY

The Rise and Fall of the Homeless
by Andrew Peyton Thomas
"Except for the mentally ill, who became pathetic pawns in the debate, the homeless are manifestly not 'just like us.' They are fellow citizens who deserve our love and compassion. But those same qualities require that they be held to a higher standard than the self-destructive behavior that distinguishes them. The homeless are homeless not because of a cruel twist of fate, but because, by and large, they have turned their backs on their loved ones and communities, preferring to go it alone."
Article, April 8, 1996
The Weekly Standard
PolicyFax #9232407 (5 pp.)

The "Children's Initiative": How the Classroom Became a Vehicle for Universal Health Coverage
by Genevieve M. Young
Advocates of national health care reform, stung by defeat, have changed strategies and begun selling their reform plans by arguing that the new programs are for childrens' sake.

"Health care reform has been reincarnated as welfare and education reform. With financial support from major private philanthropies . . ., proponents of national health care have reorganized and repackaged their ideas into a number of state-based programs. Instead of universal health care mandates on an entire population, they propose a new framework of public-private education and welfare partnerships. And since these are touted as serving the 'needs' of children, lawmakers find them much harder to oppose."
Organization Trends, March 1996
Capital Research Center
PolicyFax #3272124 (8 pp.)



"I Have a Dream": Ideas for Rebuilding American Culture
Twenty prominent observers—including Harvey Mansfield, Milton Friedman, Michael Medved, Pete du Pont, Betsy McCaughey Ross, Walter Williams, Heather Higgins, and Paul Weyrich—suggest how American culture can be revitalized.
Policy Review, March/April 1996
The Heritage Foundation
PolicyFax #2400412 (12 pp.)

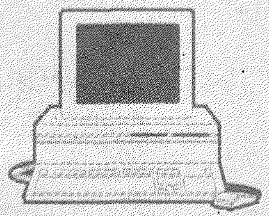
Society
continued on page 16

Society
continued from page 15

Tax-Funded Politics
by Dr. James T. Bennett and
Dr. Thomas J. DiLorenzo
Tax dollars intended for disease research and public health education have been diverted into political advocacy. Grants made by the National Cancer Institute and the Centers for Disease Control—both government agencies—have gone to nonprofit anti-smoking organizations.
Alternatives in Philanthropy, February 1996
Capital Research Center
PolicyFax #6401410 (8 pp.)

Q: Will New Immigration Barriers Hurt America's Economy?
By Daryl R. Buffenstein
and Sen. Alan Simpson
Two opposing views on the impact legal immigration has on the American economy. Buffenstein, president of the American Immigration Lawyers Association, argues that "we are on the verge of 'running out of town' the extraordinary benefits of legal and business-related immigration." Senator Simpson, on the other hand, believes that excessive levels of immigration are destroying American jobs.
Article, February 19, 1996
Insight on the News
PolicyFax #1233103 (4 pp.)

View Masters: The Audience's Power over Media's Message
by Nick Gillespie
Assaults on popular culture frequently assume that viewers, listeners, or audience members are passive receivers of popular culture. Such reasoning leads policymakers to argue for regulation by the government (such as the V-chip) or more responsible behavior by entertainment industry leaders. But "the interplay between popular culture and its audience is far more complicated than most of its critics acknowledge."
Article, February 1996
Reason
PolicyFax #2410401 (6 pp.)



The Bionomics Institute

Featured Organization

The Bionomics Institute is a nonprofit educational foundation dedicated to replacing the traditional, mechanistic view of the economy with economy-as-ecosystem thinking. The Bionomics Institute seeks to educate corporate leaders, policymakers, and the general public about bionomics, pursuing its objectives through public conferences, executive seminars, and publications.

Cornucopia or Black Hole?
by Michael Rothschild
Economic transformation can be unsettling for many. "But instead of ignoring the widespread fear caused by stunning change," writes Bionomics Institute president Rothschild, "high-tech leaders should do whatever they can to refocus the national debate on the need for deep reform of an education system that is destroying the futures of Knowledge Age workers long before they apply for their first jobs."
Essay, October 1995
The Bionomics Institute
PolicyFax #2022102 (4 pp.)

Evolutionary Burst at Warp Speed
by Michael Rothschild
The birth of the World Wide Web "marks not just another hot information technology, but the emergence of an entirely new domain of human economic life."
Essay, February 1996
The Bionomics Institute
PolicyFax #2022110 (3 pp.)

The Politics of the Machine Age Are Hopelessly Obsolete
by Michael Rothschild
"Remember when all of the economic experts agreed that oil prices would surge well past $100 per barrel? Well, while they were busy polishing their input/output tables, Silicon Valley engineers were busy figuring out how to embed a computer program in a sliver of silicon and slap it onto an auto engine." Blindingly fast technological change promises to revolutionize America's political landscape.
Essay, July/August 1995
The Bionomics Institute
PolicyFax #2814102 (3 pp.)

Hail Zuse! Heed Zuse!
by Michael Rothschild
Tells the story of Konrad Zuse, the inventor of the first binary computer. Zuse's insight helped pave the way for the information explosion—the fruits of which we are only beginning to enjoy.
Essay, February 1992
The Bionomics Institute
PolicyFax #2022104 (3 pp.)

Call It Digital Darwinism
by Michael Rothschild
What did the former Soviet Union and IBM have in common? Both were giant enterprises that failed to see that the world was changing.
Essay, December 1991
The Bionomics Institute
PolicyFax #2022103 (8 pp.)

A Quality Transformation
by Michael Rothschild
Nearly every major American company has implemented some sort of "quality" program, yet most of the programs are failing. That's because "brutally self-critical, quality organizations subject *every* process and procedure to scrutiny and rethinking."
Essay, June 1993
The Bionomics Institute
PolicyFax #2022108 (4 pp.)

Bionomics 101
by Michael Rothschild
Bionomics, writes the president of The Bionomics Institute, applies the principles of evolutionary biology to economic thinking. "Bionomics holds that capitalism is not a belief system, like socialism. Instead, the market economy, like a tropical rainforest, is the product of a naturally occurring, spontaneous evolutionary process."
Essay, May 1992
The Bionomics Institute
PolicyFax #2022101 (3 pp.)

Unleashing America's Potential

The National Commission on Economic Growth and Tax Reform recently released its much-heralded report on tax reform. The Commission's recommendations: Adopt a single, low tax rate with a generous personal exemption; lower the tax burden on America's working families and remove it on those least able to pay; end biases against work, saving, and investment; allow full deductibility of the payroll tax for working men and women; and require a two-thirds supermajority vote in Congress to increase tax rates.

Report, January 1996
The National Commission on
Economic Growth and Tax Reform
PolicyFax #8036407 (part 1, 14 pp.)
#8036408 (part 2, 14 pp.)
#8036409 (part 3, 14 pp.)

Understanding the Flat Tax

"Rarely has a public policy proposal been more tortured and abused than the so-called 'flat tax.' Like any sweeping change, the flat tax contains numerous features that are distasteful to one group or another and thus wonderfully inviting for demagoguery. It is thus worth the effort to understand exactly what is proposed by flat tax advocates, and what a national flat tax might mean for Vermonters."

Newsletter, March 1996
Ethan Allen Institute
PolicyFax #8024110 (2 pp.)

Tax Rates Rise and Fall But Revenues Stay the Same

by Alan Reynolds

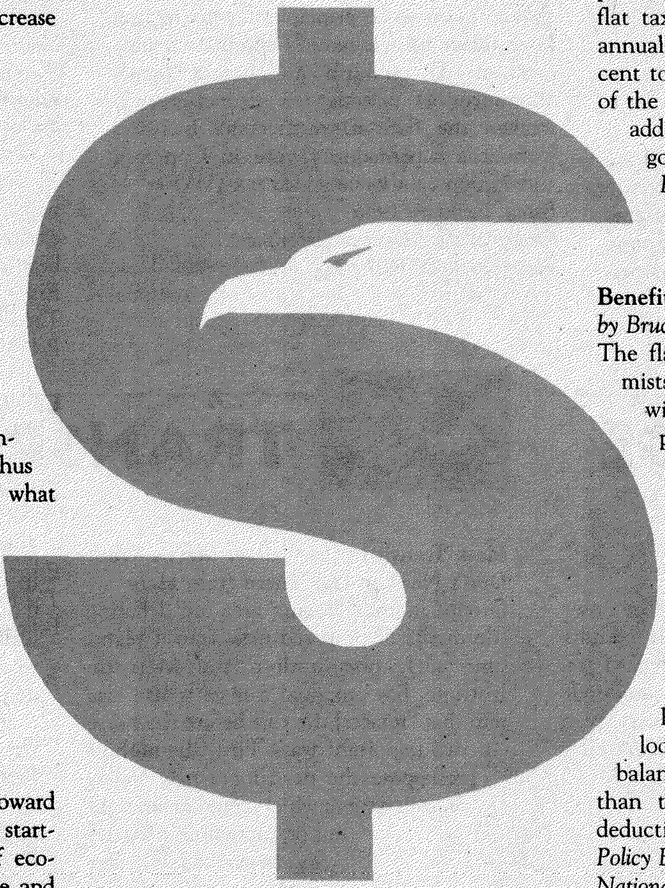
"A flat tax would be far less hostile toward working, saving, staying in school, and starting a business," writes the director of economic research at the Hudson Institute and former Reagan economic advisor. "Nearly any variety of flat tax would also provide far less incentive or opportunity to cheat, and far more incentive to earn and report more income."

Hudson Policy Bulletin, February 1996
Hudson Institute
PolicyFax #8024111 (2 pp.)

Side by Side Comparison of Flat Tax Plans Shows Lower Tax Burdens

An analysis by the Tax Foundation compares the impact of various flat tax proposals and the current income tax on current tax filers. The analysis reveals that "all the major plans would reduce the majority of tax filers' federal tax burdens if enacted at their advertised rates."

Tax Features, February 1996
Tax Foundation
PolicyFax #8024114 (2 pp.)



The Flat Tax Cuts Individual Income Taxes in Every State

by William W. Beach and Daniel J. Mitchell

The Heritage Foundation has analyzed how taxpayers in all fifty states would be affected by a 17 percent flat tax and discovered that the plan would provide tax relief to residents of every state in America. The average per-household dollar savings would be $1,856 in Connecticut, $1,521 in New Jersey, and $1,511 in Illinois—the three states that would benefit most from such a change in the federal tax code.

F.Y.I., February 7, 1996
The Heritage Foundation
PolicyFax #8024112 (5 pp.)

Principles of the Flat Tax

by John C. Goodman

Widespread misunderstanding exists about the flat tax. This analysis takes a closer look at the proposal and attempts to clarify some points of confusion. *Did you know* that if the flat tax succeeds in increasing the nation's annual growth rate from the current 2.5 percent to 3.3 percent (a conservative estimate of the likely effect of the flat tax), it would add $2.3 trillion to the nation's output of goods and services over six years.

Brief Analysis, February 8, 1996
National Center for Policy Analysis
PolicyFax #8024308 (2 pp.)

Benefits of the Flat Tax

by Bruce Bartlett

The flat tax is considered by many economists to be the tax system most consistent with widely accepted principles of simplicity, efficiency, and fairness.

Brief Analysis, February 8, 1996
National Center for Policy Analysis
PolicyFax #8024307 (2 pp.)

Tax Reform's "Third Rail": Mortgage Interest

by Bruce Bartlett

Proponents of mortgage interest deductions attack the flat tax as harmful to homeowners. But a closer look suggests that homeowners may, on balance, gain more from the tax reduction than they do from the mortgage interest deduction.

Policy Backgrounder, February 16, 1996
National Center for Policy Analysis
PolicyFax #8050401 (8 pp.)

Making Sense of Competing Tax Reform Plans

by Daniel J. Mitchell

Tax reform proposals have been offered by such policymakers as Rep. Dick Armey, Steve Forbes, Sen. Arlen Specter, Pat Buchanan,

Taxes
continued on page 18

TAXES

Taxes
continued from page 17

Sen. Phil Gramm, and Rep. Dick Gephardt. The Heritage Foundation has graded each of their proposals, as well as the Nunn-Domenici USA tax, the national sales tax, and the value-added tax.
Backgrounder, February 22, 1996
The Heritage Foundation
PolicyFax #8024307 (8 pp.)

How the Flat Tax Ends Double Taxation
by Rebecca S. Schaefer

One of the greatest benefits of the flat tax is the elimination of double taxation of savings and investments. Right now, these dollars are taxed at least twice: once as corporate income and again as investment income. Such double taxation hinders economic growth, reduces job creation, and lowers personal income. A flat tax, however, would end double taxation, encouraging savings and investment, creating new jobs, and increasing personal income.
Issue Analysis, February 12, 1996
Citizens for a Sound Economy
PolicyFax #8024113 (6 pp.)

Taxes: The Economic and Philosophical Necessity of Real Reform
by Grover Norquist

The president of Americans for Tax Reform elaborates on seven principles for tax reform: 1) establish a single rate; 2) eliminate double taxation; 3) establish a generous family allowance; 4) provide few deductions; 5) weaken the IRS; 6) restrict tax increases without a supermajority vote in Congress; and 7) oppose a value added tax (VAT).
Essay, February 1996
Center of the American Experiment
PolicyFax #8000401 (8 pp.)

How Excessive Government Killed Ancient Rome
by Bruce Bartlett

Did oppressive taxation, trade restrictions, and inflation destroy the civilization of ancient Rome? Bruce Bartlett, senior fellow at the National Center for Policy Analysis, makes a compelling case that excessive government brought about the demise of Western civilization. Through debasement of Roman currency, for example, prices throughout the third century skyrocketed 15,000 percent.
Cato Journal, Fall 1994
Cato Institute
PolicyFax #2800406 (part 1, 9 pp.)
#2800407 (part 2, 9 pp.)

TRADE

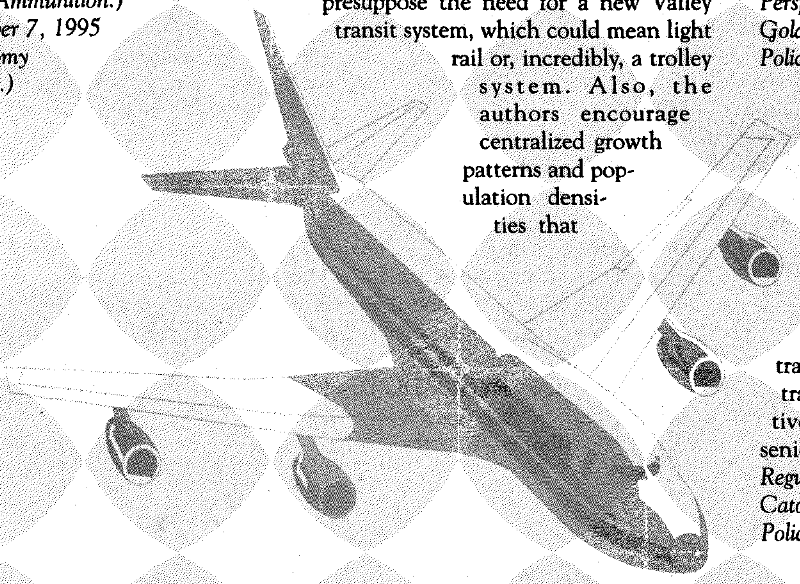
Ned Ludd Lives: Trade Protectionism and the New Luddites

Today's critics of free trade are the new "Luddites"—referring to a nineteenth century sect opposing the industrial revolution. *Did you know* that according to one recent estimate, trade barriers cost Americans $70 billion every year. (This article also appeared in the March/April 1996 issue of *Intellectual Ammunition.*)
Capitol Comment, December 7, 1995
Citizens for a Sound Economy
PolicyFax #1980114 (2 pp.)

TRANSPORTATION

Mass Transit in the Valley: Maybe We Don't Need to Get There from Here

Groups in the Phoenix area are debating the merits of proposed mass transit plans. One such organization, the Morrison Institute, has proposed a mass transit system that "[places] the cart before the horse in two important ways. First, the authors presuppose the need for a new Valley transit system, which could mean light rail or, incredibly, a trolley system. Also, the authors encourage centralized growth patterns and population densities that make New York-style mass transit viable. In short, the Morrison Institute report says that to make transit work we all must radically change the way we live our lives—where we live, where we work, how we design our buildings, how we spend our time. If transit requires such wholesale changes, it simply isn't worth it."
Perspective, March 18, 1996
Goldwater Institute
PolicyFax #8152102 (2 pp.)



Clearing the Track: The Remaining Transportation Regulations
by Thomas Gale Moore

Transportation firms have been largely deregulated, yet they still face much stricter controls than do those who work in other lines of business. "Economic regulation of transportation is unwarranted because transportation is an inherently competitive activity," writes Thomas Gale Moore, senior fellow at the Hoover Institution.
Regulation, 1995 No. 2
Cato Institute
PolicyFax #8172401 (10 pp.)

WELFARE

Yet Another Sham Welfare Reform: Examining the NGA Plan
by Robert Rector
A new welfare reform plan proposed by the National Governors Association suffers from four fundamental flaws. It: 1) abandons the welfare reform goal of reducing illegitimacy; 2) eliminates all work requirements for AFDC recipients; 3) has a pervasive anti-marriage bias; and 4) embodies the Clinton Administration's "reform" structure.
Backgrounder, March 18, 1996
The Heritage Foundation
PolicyFax #9272416 (12 pp.)

What Works for Welfare? Recent Experiences in Washington and Oregon
Recent experiences in Washington State and Oregon show that workfare programs can be effective ways of reforming welfare. Programs like Washington Works and Oregon's JOBS Plus appear to be early successes.
Special Report, March 5, 1996
Washington Research Council
PolicyFax #9272417 (9 pp.)
#9272418 (9 pp.)

Will Workfare Work?
by Christopher R. Conte
Welfare reform appears to be succeeding at bringing recipients back into the work force. But workfare programs seem to be only a partial solution to a complicated problem.
Governing, April 1996
Congressional Quarterly
PolicyFax #9272419 (5 pp.)

> In nine states welfare pays more than the average first-year salary for a teacher, and in twenty-nine states more than the average starting salary for a secretary.
> **Cato Institute, 1995**

The Case for Rebuilding Civil Society
by Dr. Michael Novak
America's social welfare problems can be traced primarily to the breakdown of family structures, community, and voluntarism—civil society. "Rather than giving direct subsidies, we should find an indirect way of helping institutions that encourage the independent, self-reliant, community-minded behavior that is proper to self-government."
At the Podium, February 1, 1996
Family Research Council
PolicyFax #2400203 (10 pp.)

The Modern State as an Occasion of Sin
by Jennifer Roback Morse
Although it may have been established with the best of intentions, the welfare state is corrupting by its very nature, as it tempts both potential recipients and administrators to abuse the system.
Policy Study, February 29, 1996
The Heartland Institute
PolicyFax #9200304
(executive summary, 3 pp.)
#9200404
(study, 12 pp.)

Effective Compassion
by Dr. Marvin Olasky
"During the nineteenth century, before the federal government ever got involved, there was a war on poverty that was far, far more successful than our own. . . . It was a war waged by tens of thousands of local, private charitable agencies and religious groups around the country. It was successful, not because they abolished poverty, but because they witnessed movement out of poverty by millions of people." To really reform welfare today, we need to learn a lesson from our ancestors.
At the Podium, February 1, 1996
Family Research Council
PolicyFax #9200202 (13 pp.)

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Find Out Why Gun Control Laws Misfire.

A new, **pathbreaking** study from The Heartland Institute is exploding popular myths about gun control.

"[The Heartland study] substantiates what I've said all along: Gun-control laws affect only law-abiding citizens. Criminals will continue to buy their guns on street corners, and use them with impunity."

— Michelle Stevens
Editorial Page Editor, *Chicago Sun-Times*

"Taking Aim at Gun Control," by Daniel D. Polsby and Dennis Brennen, is available in three parts through *PolicyFax.* Call 847·202·4888 and order documents **1328401**, **1328406**, and **1328407.**

Congress Should End the Bidding War for Sports and Other Businesses

by Melvin L. Burstein and Arthur J. Rolnick

To find a solution to NFL franchises hopscotching around the country, the Antitrust Subcommittee of the Senate Judiciary Committee held hearings to consider granting the NFL a limited antitrust exemption so it could prevent teams from moving. Talk about the fox watching the hen house! The leagues of all major sports blatantly aid and abet team owners in extorting public funds for new facilities under the threat of moving to a city eager to hand out public funds.

If Congress is concerned about sports fans it should prohibit the city and state funding that supports team moves. Team owners as well as the leagues would be forced to rely upon the economics of fan support rather than public subsidies.

Of course, it's not just sports teams that demand public money from cities and states. The state and local funds spent competing for sports franchises, though conspicuous, probably represent only a fraction of the billions of dollars spent by the more than eight thousand state and local economic development agencies competing to retain and attract businesses through the use of preferential taxes and subsidies. Businesses know they can get public funding by threatening to move, forcing state and local governments into a competition for businesses that has become economic warfare.

Rather than concern itself about cities losing "their" sports franchises, Congress should worry about state and local governments that have forgotten that their business is public, not private, goods.

While states spend billions of dollars to retain and attract businesses, state and local governments struggle to provide such public goods as schools and libraries, public health and safety, and roads, bridges and parks. The city of Cleveland is illustrative: It announced the closing of eleven schools in 1995 for lack of funding, yet it offered to spend $175 million of public money to fix the Browns' stadium to ward off Baltimore's successful offer to attract the Browns.

Something is wrong with this picture. Rather than concern itself about cities losing "their" sports franchises, Congress should worry about state and local governments that have forgotten that their business is public, not private, goods and the funding of professional sports and all other private businesses should be left to the marketplace. Congress should stop the use of preferential taxes and subsidies by state and local governments to compete with one another to attract and retain businesses.

Not all competition among state and local governments is bad. Competition for businesses through general tax and spending policies, that is, policies that apply to all businesses, is beneficial. But when competition takes the form of preferential treatment for specific businesses, it misallocates private resources and causes state and local governments to provide too few public goods.

When businesses are enticed to relocate there appears to be no net loss to the overall economy; but on closer examination we can see that this is not just a zero-sum game. There will be fewer public goods produced in the overall economy because, in the aggregate, states will have less revenue. In addition to this loss of public goods, the overall economy becomes less efficient because output will be lost as businesses are enticed to move from their best locations. Moreover, it is assumed that states have the information to understand the businesses they are courting. In practice, states have much less than perfect information. Assuming all states are so handicapped, they will on average end up with fewer jobs and tax revenues than they had anticipated.

How can this war be brought to an end? The states won't, on their own, stop using subsidies and preferential taxes to attract and retain businesses. As long as a single state engages in this practice, others will feel compelled to compete. Only Congress, under the Commerce Clause of the Constitution, has the power to enact legislation to prohibit the states from using subsidies and preferential taxes to compete with one another for businesses.

Congress could enforce such a prohibition in a variety of ways. It could tax real and imputed income from public subsidies, deny tax-exempt status to any public debt used to compete for businesses (there is already a limitation on the tax exempt status of certain kinds of state and local public debt) and impound federal funds payable to a state engaging in such competition.

Competition among states for sports and other businesses is commonplace and growing more costly. When we observe this competition in the context of state and local governments already short of funds for basic infrastructure such as roads, schools, public health and safety, facing further cuts in federal spending, it should be clear why it is time for Congress to act. If Congress prevented cities and states from funding private businesses such as sports franchises, team owners such as Art Modell would rely upon the economics of fan support rather than public subsidy.

Competition among states for sports and other businesses is commonplace and growing more costly.

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Legalized Gambling: The Newest No-No

by Nick Gillespie

It is common these days to chatter about smaller government and individual responsibility, but we are actually living in increasingly prohibitionary times. Choices properly decided by private individuals are instead being limited or abolished through restrictive public policy. Hence, the V-Chip, government-mandated ratings of television programs, and attempts to regulate information flow on the Internet; federal- and state-level attempts to regulate cigarettes as "nicotine-delivery devices"; and a reinvigorated War on Drugs, which finally has a bona fide general in command.

The latest target of prohibitionists is legalized gambling, which has enjoyed a decade or so of rapid growth. Ten years ago, only Nevada and New Jersey boasted casinos. Nowadays, there are two dozen states with casinos, including betting houses run by 126 different American Indian tribes. Thirty-seven states run lotteries and some have either allowed or are considering slot machines at existing gambling sites such as horse- and dog-racing tracks. Last year, Americans spent more than $40 billion on legalized gambling, up from about $10 billion in 1982.

The anti-gambling backlash is here, there, and everywhere. Over the past two years, the National Coalition Against Legalized Gambling has stymied casino and slot-machine plans in twenty-three states. The backlash is worth pausing over not only because it threatens yet another personal liberty but because it also allows insight into the prohibitionist mindset.

Prohibitionists are in the difficult position of telling people that certain choices are so misguided that they simply can no longer be allowed. But since the targeted behavior is usually highly popular and widespread, prohibitionists must redefine it as an unconditional evil that cannot be resisted, even by men and women of character. Ironically, in the name of morality, prohibitionists must strip individuals of the right to make moral decisions.

> *Ironically, in the name of morality, prohibitionists must strip individuals of the right to make moral decisions.*

This is certainly the case with gambling, where opponents traffic in metaphors of invasion and addiction that define bettors as passive victims. The Rev. Tom Grey, the Methodist minister who heads the NCALG, describes himself as "a man committed to all-out war" against the "predator" gambling industry. The middle Americans who fill the casinos, you see, don't *really* want to spin the wheel, throw the dice, or take the chance. Pat Buchanan rails that "gambling should return to the swamp whence it came," ignoring the fact that 125 million Americans willingly choose to go to casinos every year.

The Christian Coalition's Ralph Reed pronounces gambling a "cancer on the body politic, destroying families, stealing food from the mouths of children, turning wives into widows." Betting as rapacious disease? That would have been news to the folks I used to ride with on infrequent trips to Atlantic City during the '80s. We gambled because it's fun to do, every once in a while. Forty or fifty people—college kids, vacationers, retirees—would pile in a bus in midtown Manhattan and ride a couple of hours to play slots and cheap blackjack. When it came time to leave, no one, to my knowledge, ever had to be pried away from the roulette table or the slot machines.

Indeed, the social scientific literature, including studies done for the Swedish, British, and U.S. governments, tends to characterize gamblers as virtually indistinguishable from non-gamblers—except that gamblers are more sociable, more involved in community activities, and bigger opera, theater, and museum buffs. While it is true relatively poorer people spend more proportionally on wagers and bets, the overwhelming majority of gamblers responsibly budget their expenditures and use their winnings for "home-centered items."

The profile of gamblers as normal people, however, is unlikely to work its way into many stories about anti-gambling activism. Rather, the media showcase the dark side of gambling. A recent *Time* story, for instance, recounts the fate of a forty-year-old school teacher and mother of two who shot herself in the head after racking up huge gambling debts. "The day she died," writes *Time*, "sheriff's deputies were on their way to her home with an eviction order. . . . [H]er husband . . . knew nothing of their financial problems, although she had pawned their wedding rings and skipped making the house payments for seventeen months."

Such a story is, of course, undeniably tragic—and undeniably rare. *Time* itself mentions in passing that Harvard University's Center for Addiction Studies estimates that "between 3.5 and 5 percent of all adults exposed to gaming can be expected to develop into pathological gamblers." Other estimates are lower still.

Horror stories, however bleak, should not guide public policy. "Gambling," note Reuben and Gabrielle A. Brenner in their 1990 history *Gambling and Speculation*, "is a mass phenomenon, and its study must not be confused with that of a pathological minority of compulsive gamblers, just as the examination of a few workaholics, alcoholics, obese people, womanizers, addicted TV watchers, and addicted exercisers is irrelevant for a social judgment on the behavior of the billions who work, drink, eat, love and/or have sex, watch TV, or enjoy exercising with customary frequency."

For prohibitionists, of course, the self-regulation evinced by better than 95 percent of gamblers is a logical impossibility or, perhaps, a logical improbability. The world confounds prohibitionists, as do people who believe they should decide how to live their own lives.

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Nick Gillespie is senior editor of *Reason* magazine. Reprinted, with permission, from the June 1996 issue of *Reason* magazine. ©1996 by the Reason Foundation, 3415 South Sepulveda Boulevard #400, Los Angeles, CA 90034.

Air Bags Could Kill You

by John Semmens

More than twenty years ago, economist Sam Peltzman wondered whether government-mandated safety devices aimed at making vehicles safer would result in more aggressive driving behavior. This more aggressive driving might, he feared, offset the benefits of the safety devices and risk the lives of innocent victims.

A recent study in the *Journal of Law and Economics*[1] indicates that government-mandated safety devices may be even more dangerous than Peltzman feared. For example, drivers in vehicles equipped with air bags may be no better off when their vehicles are involved in accidents. And passengers may be worse off than they would be riding in cars without air bags.

Despite the best intentions of those who would mandate that all new cars feature air bags, the results are not as beneficial as we have been promised.

The advocates of government-mandated safety devices have long contended that these devices do not change driver behavior. They argue, quite plausibly, that drivers aren't going to try to get into accidents just because their cars have additional crash protections. Based on this line of reasoning, safety should be improved by the widespread implementation of the government mandates.

Since 1990, an increasing number of newly manufactured vehicles have been equipped with air bags. This has been done in response to federal regulation and the belief that doing so would help increase vehicle sales to the more safety-conscious segment of the auto-buying public. The only problem is that according to the Highway Loss Data Institute, cars equipped with air bags have experienced *increases* in insurance claim frequencies.[2]

This result is inconsistent with the expectations of those advocating passive restraints like the air bag. (A passive restraint is one that does not require any self-protecting action on the part of the driver or passenger. This is in contrast to a seat belt, for example, which requires drivers and passengers to "buckle up" in order for it to have any chance of working.) These increased insurance claims indicate that while the air bag may be "passive," drivers are not. They are apparently driving more aggressively and offsetting the safety gains anticipated by the advocates of government mandates.

It gets worse. *The Journal of Law and Economics* study examined the records of 207 fatal motor vehicle accidents that occurred in Virginia in 1993. The study used Virginia State Police accident reports to determine that drivers of air bag-equipped cars were at fault in 85 percent of the crashes in which they are involved. In single-vehicle crashes, drivers of air bag- equipped cars were killed more often than would have been expected if there were no offsetting driver behavior effect. That is, *despite the protection afforded by the air bags*, drivers were being killed at a rate equivalent to drivers in cars without air bags.

In vehicles with air bags on only the driver's side, passengers were killed at rates 50 percent higher than expected. That is, passengers in cars where the driver was protected by an air bag were being killed at rates 50 percent higher than passengers in cars without driver-side air bags. The more aggressive behavior of the air bag-protected driver appears to be dramatically increasing the risk to passengers in his or her vehicle.

This is not to say that the air bags themselves (disregarding the statistically small percentage of cases where the air bags are specifically at fault) are causing these fatalities. However, it seems indisputable that some drivers, aware that they have an extra margin of crash-survivability provided by the air bags, are taking more risks. Actions aimed at reducing travel time higher speeds, faster cornering, trying to squeeze through an intersection on a yellow light are possible changes in driving behavior that would offset the intended safety benefit of the mandated safety device.

Drivers are not passive recipients of government-imposed safety devices.

So, despite the best intentions of those who would mandate that all new cars feature air bags (and thus force every new-car buyer to pay for them), the results are not as beneficial as we have been promised. The added expense of the air bags does not appear to have made drivers better off. And passengers may have been made much worse off.

What lesson should we learn from this? Simply this: Drivers are not passive recipients of government-imposed safety devices. They will change their driving behavior as a result of government mandates. Sound public policy, then, requires that driver behavior be given greater weight in deliberations over what the law should or should not attempt to achieve.

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[2] "Injury and Collision Loss Experience by Make and Model," Highway Loss Data Institute.

The Market versus Politics

by Paul Varnell

When gay non-discrimination laws are subject to a popular vote, gays generally lose. When gay non-discrimination laws, and, even more often, gay-marriage laws are put to a vote in a legislature, gays generally lose.

At the same time, several major business firms have recently reached out to gays and lesbians. Many major corporations have adopted gay non-discrimination rules, and some are providing health insurance benefits for domestic partners.

Actors in the economic marketplace, subject to profit and loss, have an incentive to be friendly to gays because their goal is to retain skilled employees and to lure dollars from every potential consumer. By contrast, actors in the political marketplace have a disincentive to be friendly to gays because they need to lure votes from all citizens; that is, they are subject to democracy or majority rule.

As author Grant Lukenbill remarked recently, "Gay employees of Apple Computer in Texas have more rights at work than they do in their own home."

Bluntly, the free market is better for gays than democracy is.

In the economic marketplace, when you cast your "dollar vote" for the product you want, you get the product you want. That is, you win no matter what other people do with their dollar votes, and your approval registers economically with the firm whose product you bought.

Actors in the economic marketplace, subject to profit and loss, have an incentive to be friendly to gays.

In the political marketplace, you get what you want only if at least half of all the other voters already agree with you. If you voted for a losing side, you get nothing. And your candidate gets no reward for reaching out to you; he may, in fact, be penalized for his stand.

In short, the economic marketplace fosters a pluralism of values and a plurality of results—i.e., a variety of lifestyles. In the political marketplace, the winner's values are imposed on the losers.

A second advantage of the economic marketplace is that you can use your dollar votes for the things you want most, and, if necessary, forgo the things you want less. In the political marketplace, by contrast, you get to cast only one ballot vote for each office, even if one particular contest is very important to you while others are not.

If the political marketplace respected individual preferences in the same manner as the economic marketplace does, you could abstain from voting in races you did not care about and then use all those votes in the race you felt strongly about.

A third advantage of the economic marketplace: In the political marketplace each candidate has an "issues package," a set of positions on different issues, some of which you will agree with and some which most likely you will not. But you are stuck with the package. If you vote for the candidate, you get the positions you dislike just as much as the ones you like.

In the economic marketplace, by contrast, you can use your dollar votes for a wide variety of disparate items, putting together a personal "products package" that is different from everyone else's. There are no package deals where you have to buy, say, Guess jeans, Arrow shirts, Adidas tennis shoes, and Pepsodent toothpaste in order to get any one of them.

A fourth advantage of the economic marketplace is that it encourages people to think before they act.

Before you buy a major purchase, you tend to research the product, ask friends for advice, comparison shop, and so forth. You have a definite incentive to do that because the more time you invest in making a prudent choice, the more you benefit directly by having and using a good product.

In the political marketplace, by contrast, there is little benefit to spending your time investigating the candidates' voting records, analyzing the issues, and so forth. An informed vote has no more influence on the outcome than an uninformed vote does, and practically no influence in any case, so there is little incentive to become an informed voter. Your vote can still be canceled out by someone who does not care about issues and votes on a whim.

A fifth advantage of the economic "dollar vote" is that if the product you bought turns out to be defective or fails to live up to your expectations, you can cut your losses immediately. You can throw the product away, return it to the store, get it repaired, sometimes even get your dollar votes back.

Not so with the political marketplace. No politician ever came with a guarantee of "full refund if not completely satisfied." Once you have "bought" him (or her) with your vote, you are stuck with him no matter if he changes his positions, compromises his principles, or turns out to be totally ineffective in advancing the ideas that led you to vote for him.

The political marketplace is open only once every two, or four, or sometimes only once every six years. In the economic marketplace, however, people vote every day.

Perhaps the root difference between the economic marketplace and the political marketplace is that the economic marketplace is voluntary. It respects people's individual choices in what they buy or sell, including the choice not to participate. It embodies as well as fosters the pluralism of values.

The political marketplace, by contrast, is coercive. It allows a majority to make one rule for all, usually to the advantage of the majority, and requires all who dissent to obey. It gives short shrift to differing desires, needs, or conditions.

It seems clear which of the two approaches better benefits gays and other minorities.

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Paul Varnell is a columnist for the *Windy City Times*, from which this article is reprinted. He is also a contributor to the forthcoming book, *Beyond Queer* (The Free Press, 1996).

Bookshelf

Our Stolen Future

by Theo Colborn, Dianne Dumanoski, and John Peterson Myers, New York: Penguin Group, 1996.

Our Stolen Future is the most heavily promoted book on environmentalism to arrive on the scene since Al Gore's *Earth in the Balance*.

The book's most alarming claim—that synthetic chemicals might be responsible for a steep decline in human fertility levels—has been hyped by weekly news magazines and television investigative news shows. Vice President Al Gore, in the book's foreword, promises the reader a long-awaited sequel to Rachel Carson's *Silent Spring*.

While *Our Stolen Future* makes for fascinating reading, be forewarned that its claims and conclusions go well beyond the bounds of sound science. The authors claim the complexity of the relationship between synthetic chemicals and human health requires "judgment based on 'the weight of the evidence' rather than on scientific ideals of proof." While there is nothing wrong in principle with the weight-of-evidence approach, the authors of *Our Stolen Future* use it as an excuse for selectively reporting research and relying on outdated or methodologically compromised research.

For example, the epidemiologic study most frequently cited in the book, by Sandra and Joseph Jacobson, is compromised by a small sample size (just two hundred mothers), recall bias, and confounding variables. Yet the reader of *Our Stolen Future* is never told this. And so it goes with most of the research cited in the book.

Promoted as the latest thinking on chemicals and the environment, this book instead is testimony to the *lack* of progress made by environmentalists during the past three decades to make their case against synthetic chemicals.

—Joseph Bast

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Joseph Bast is president of The Heartland Institute, publisher of *Intellectual Ammunition*, and coauthor of *Eco-Sanity: A Common-Sense Guide to Environmentalism.*

Dumbing Down Our Kids

by Charles J. Sykes, New York: St. Martin's Press, 1995.

A former Colorado high school principal believed students didn't need to know much about the Great Depression or World War II because "there's something unfair about singling out certain historical landmarks as more important than others." To boost student self esteem, a Wisconsin school has abandoned traditional grades and replaced them with a system that offers Cs, Ss, and Ns (standing for "consistently," "sometimes," and "not yet"). Another school administrator has been quoted as saying that students should learn about history "only as it relates to them."

Those three startling examples, and many more, can be found in Charles J. Sykes's new book, *Dumbing Down Our Kids*. Sykes, the author of *A Nation of Victims* and *Profscam*, describes in vivid detail an American elementary and secondary education system that, in the name of making children feel good about themselves, is producing students who can't read and write and are ill-prepared for the workplace.

Sykes documents the real-world consequences of this decline in educational standards. In late 1992, for example, executives at Pacific Telesis found that 60 percent of the high school graduates applying for jobs at the firm failed a company exam set at the seventh-grade level.

Clearly and methodically, Sykes gives plenty of ammunition for those who worry that our public schools are still more concerned with students' feelings than their achievements. The schools Sykes portrays provide yet another convincing reason why parents need to be given greater responsibility for directing their children's education.

—Joseph Walsh

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Joseph Walsh is executive director of the Center for Rebuilding America's Schools and a contributing editor to *Intellectual Ammunition.*

The Home

by Richard McKenzie, New York: Basic Books, 1996.

The Home, by Richard McKenzie, is an unusual book for an economist to have written. It contains no calculus, no linear algebra, no exotic statistical techniques. What it does contain is a warm, human story of a ten-year-old boy overcoming a family tragedy, then being sent to an orphanage and later earning a Ph.D. degree in economics. It is Richard McKenzie's story.

If you assume that his time spent in the orphanage was itself a tragedy, you would be wrong. While McKenzie admits that the orphanage lacked love and nurturing, it was nevertheless a safe, stable, structured, and permanent home that provided opportunities for personal growth, a chance for the children to live down and away from their dysfunctional families.

McKenzie did a survey of a thousand or so of the living alumni from the Home. In 1994 the orphans from the Home had median incomes that were one-fifth to three-fifths higher (depending on the age group) than those of the general population. Further, the alumni reported relatively low rates of emotional difficulty, incarceration, and need for public assistance. Remarkably, 80 percent said that they would not have wanted to grow up with the available members of their own families, while 10 percent said yes.

When examined carefully, as Richard McKenzie has done in his own story, private orphanages are more like Boys Town than the stereotypes depicted in *Oliver Twist* and "Little Orphan Annie." Often measurably better environments than the children's own families, McKenzie persuasively shows orphanages to be a positive social force.

—James Johnston

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James Johnston is a policy advisor to and a member of the Board of Directors of The Heartland Institute.

Taking Aim at Gun Control: Ten Myths vs. Reality

by Daniel D. Polsby and Dennis Brennen

Gun control is an issue surrounded by (some would say submerged in) myth and misunderstanding. We present here ten myths that are most frequently raised . . . and, from our perspective, most commonly misunderstood.

Myth No. 1: Guns cause crime.

A review of the academic literature shows that there is no relationship between the number of guns and the amount of crime in the United States. Criminologists Gary Kleck and E. Britt Patterson reported in 1993 their finding that gun ownership had no significant effect on the rates of murder, assault, robbery, or rape in the U.S.[1] Between 1973 and 1992, the rate of gun ownership in the U.S. increased by 45 percent (from 610 guns per 1,000 people to 887). The homicide rate during that period *fell* by nearly 10 percent (from 9.4 homicides per 100,000 people to 8.5).[2]

Myth No. 2: Gun control laws reduce crime.

Firearms have been regulated with increasing stringency in the United States for most of the past thirty years. Nevertheless, the number of firearms in private hands has increased continuously by many millions per year; handguns have become an increasing proportion of privately owned firearms; and rates of crime, violent crime, and homicide have shown no relationship to the passage or enforcement of gun laws. In their 1993 research, Kleck and Patterson analyze the impact of nineteen gun control measures on six categories of violence. In ninety of the resulting 102 relationships, they found no significant correlation between gun laws and violence.[3]

Myth No. 3: Gun control laws stop friends from killing friends.

Most murderers *and most victims* of homicide have criminal records. They are likely to have other criminals as friends and acquaintances. So while it is true that in many cases of homicide the offender and victim are known to each other, it is *not* true that these "friends killing friends" are the plain ordinary folks often portrayed in anti-gun propaganda. "It is not a slander on the few truly innocent and highly sensationalized victims," writes Dr. Edgar A. Suter and his colleagues, "to note that the overwhelming predominance of homicide 'victims' are as predatory and socially aberrant as the perpetrators of homicide."[4] Indeed, according to City of Chicago data, the largest and fastest-growing category of relationship between killer and victim is "non-relative, non-friend acquaintance."[5]

Myth No. 4: Gun control laws keep criminals from obtaining guns.

In surveys of prisoners, a majority report that they had owned a handgun prior to their imprisonment. But only 7 percent of criminals' handguns are obtained from legitimate retail sources. Three-fourths of felons surveyed report they would have no trouble obtaining a gun when they were released, despite legal prohibitions against firearms ownership by convicted felons.[6]

Myth No. 5: Required waiting periods would prevent some of the most vicious crimes.

The Brady waiting period law imposes waiting periods on handguns—the least-deadly type of firearm—while imposing no such restriction on much more deadly, substitutable weapons such as rifles or shotguns. While handguns are *preferred* by criminals because of their portability and concealability, not every criminal who planned to use a handgun will abandon his criminal plans when confronted by a waiting period. Indeed it is entirely possible that waiting period laws could increase the number of both *killings* and *nondeadly woundings*.

Myth No. 6: Guns don't work as self-protection against criminals.

In fact, guns are about as valuable to civilians as they are to police officers, and for the same reason. According to criminologists Gary Kleck and Marc Gertz, every year adults use guns for protective purposes 2.5 million times. As many as 65 lives are protected by guns for every life lost to a gun.[7] Each year, potential victims kill between two thousand and three thousand criminals; they wound an additional nine thousand to seventeen thousand.[8]

Moreover, mishaps are rare. Private citizens mistakenly kill innocent people only thirty times a year, compared with about 330 mistaken killings by police. Criminals succeed in taking a gun away from an armed victim less than 1 percent of the time.[9]

Myth No. 7: Guns aren't needed as self-protection.

About 83 percent of the population will be victims of violent crime at some point in their lives, and in any given year serious crime touches 25 percent of all households. The odds are not likely to improve; there is only one police officer on patrol for every 3,300 people. And the courts repeatedly have ruled that government has at most a limited duty to protect individual citizens from crime.[10]

An illustrative case is *Warren v. District of Columbia,*[11] in which three rape victims sued the city under the following facts: Two of the victims were upstairs when they heard the other being attacked by men who had broken in downstairs. From an upstairs telephone, the two roommates made several calls to the police. Half an hour passed and their roommate's screams ceased; they assumed the police must have arrived. In fact, however, their calls had been lost in the shuffle while the roommate was being beaten into silent acquiescence. When her roommates went downstairs to see to her, as the court's opinion describes it, "For the next fourteen hours the women were held captive, raped, robbed, beaten, forced to commit sexual acts upon each other, and made to submit to the sexual demands" of their attackers.

Having set out these facts, the District of Columbia's highest court nevertheless exonerated the District and its police, noting that it is

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a fundamental principle of American law that a government and its agents are under no general duty to provide public services, such as police protection, to any individual citizen.[12]

Myth No. 8: Gun control laws are especially needed to prevent the purchase of Saturday Night Specials and "assault weapons."

Inexpensive handguns are involved in only 1 to 3 percent of violent crimes; criminals generally prefer larger caliber and more expensive handguns.[13] Moreover, in the past fifty years no civilian has ever used a *legally owned* machine gun in a violent crime. And despite their repeated use by drug dealers on television and movies, no Uzi has ever been used to kill a police officer in the United States. Even some gun control advocates concede that so-called assault weapons play a minor role in violent crime. In 1991, 1992, and 1993 combined, there were more than 2,500 criminal homicides in the City of Chicago—*only three of which were perpetrated with a true, military-style, "assault weapon."*[14]

Myth No. 9: Gun control laws are especially needed to prevent gun accidents in the home.

"Gun-control advocates have sought to create the impression that firearm accidents involving children are a large and growing problem," writes the Independence Institute's David Kopel. "Many people mistakenly conclude that children die frequently in gun accidents and that sharp restrictions on gun ownership are necessary to address the problem."[15] In fact, however, the number of gun accidents involving both children and adults has fallen dramatically.

In 1970, 2,406 Americans died from firearms accidents. By 1991, that number had fallen to 1,441 even as the number of guns increased dramatically. Between 1970 and 1991, the annual rate of fatal gun accidents was cut in half, from 1.2 to 0.6 per 100,000 Americans.[16] The death rate from firearms accidents is lower than that from accidental drowning (1.6 per 100,000 in 1991), inhalation and ingestion of foreign objects (1.3), and complications from medical procedures (1.0).

Myth No. 10: Gun ownership is not a constitutional right.

The Second Amendment reflects the founders' belief that an armed citizenry (called the general militia) was a necessary precaution against tyranny by our own government and its army. The idea that government has a constitutional right to disarm the general citizenry is totally foreign to the intent of the Constitutional framers. Samuel Adams, for example, expressed in the Massachusetts convention his intention that "the said Constitution be never construed . . . to prevent the people of the United States who are peaceable citizens, from keeping their own arms."[17] David Kopel summarizes the legal scholarship on this issue:

> In the field of legal scholarship, the primary question has been answered: the Second Amendment was plainly intended to guarantee a right of individuals to possess arms. The essential purpose of this guarantee was not to protect sporting uses of guns, but to facilitate resistance to criminal governments, which were seen as simply a larger case of resistance to individual criminals.[18]

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Center for Individual Rights

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The Yankee Institute
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Washington Institute for Policy Studies
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Washington Legal Foundation
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Washington Research Council
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